PAPERS

LAID BEFORE THE

LEGISLATIVE COUNCIL OF CEYLON

DURING THE

SESSION OF 1885.

28TH OF OCTOBER, 1885, TO 11TH OF FEBRUARY, 1886.

Colombo:

GEORGE J A SKEEN, GOVERNMENT PRINTER, CEYLON.

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PROCEEDINGS OF THE LEGISLATIVE COUNCIL.

Wednesday, 28th October, 1885.

PRESENT:

His Honor Major-General Sir J. C. McLEOD, K.C.B., President.

The Hon. W. H. RAVENSCROFT
The Hon S. GRENIER.
The Hon. G. W. PATERSON.
The Hon. F. R. SAUNDERS.
The Hon. P. A. TEMPLER.
The Hon. Lieut.-Col. F. C. H. CLARKE, R.A., C.M.G.
The Hon. J. VANLANGENBERG.
The Hon. P. RÁMA-NÁTHAN.
The Hon. F. M. MACKWOOD.
The Hon. A. L. DE ALWIS.
The Hon. R. A. BOSANQUET.

1. MEMBERS SWORN.—The oath of allegiance was taken by the Hon. S. Grenier, Acting Attorney-General, the Hon. G. W. Paterson, Acting Treasurer, the Hon. P A. Templer, Acting Government Agent of the Central Province, and Mr. R. W. Ievers as Clerk to the Council.

2. OPENING OF THE SESSION.—His Honor Major-General Sir J. C. McLEOD, K.C.B., Officer Administering the Government, opened the Session with the following Address:—

HONOURABLE GENTLEMEN OF THE LEGISLATIVE COUNCIL,

WE are assembled in obedience to the summons published in the *Government Gazette*.

2. At the time of the notification of that summons, I was in hopes that Sir A. Gordon would be present at the first meeting of this Council for the Session, and would himself deliver the Opening Address. Circumstances however having compelled him to defer his return for a short time, it became necessary for me to decide whether a postponement of the date of the opening of Council would, in the interests of the Public, be advisable, and, after due consideration, I determined on grounds of general public convenience, and in order that no delay may take place in the work of the Session, to proceed in accordance with the notification published in the *Government Gazette*. And I now confidently reckon on your willing aid in advancing the measures that will be submitted for your consideration.

3. I will not detain you with a long Address, nor do I propose to enter at length into a review of the Financial position of the Colony, but I desire to bring under your notice, in a few words, the revenue and expenditure of the past year, and the revenue received for the first nine months of the current year and the prospects for the remaining three months.

4. The revenue of 1884 was Rs. 12,402,365, or Rs. 10,364 less than the estimate. The expenditure was Rs. 12,318,218, showing a saving on the votes for the year of Rs. 335,584, and the result for the year was an excess of revenue over expenditure of Rs. 84,147.

5. The encouraging fact, mentioned by the Governor in his Opening Address at the last Session of this Council, that in 1883 the revenue in all the branches which depend on industrial enterprise showed an actual increase, as compared with the estimate of revenue for that year, is again noticeable in respect of 1884; the returns from Customs, Land Sales, Land Revenue, and Licenses having considerably exceeded the amounts estimated under those heads. The actual figures are:—

		Rs
Customs ...	Estimated	2,700,000
	Actual	2,800,270
Land Sales ...	Estimated	250,000
	Actual	421,838
Land Revenue ...	Estimated	850,000
	Actual	938,790
Licenses ...	Estimated	1,460,000
	Actual	1,464,237

and although the revenue for the past nine months of the current year falls short of three-fourths of the estimated revenue for the year by Rs. 314,516, there is reason to hope that this will be made up during the last quarter, which is always the best from a revenue point of view, and that the full amount of the estimate will have been received by the close of the year. It is satisfactory to note that the receipts for the past nine months exceed the receipts for the corresponding period of 1884 by Rs. 234,480, and that the expenditure, although liberal, has been kept well within the estimate.

6. The measures already prepared, and that will be submitted for your consideration, have been published in the *Government Gazette*, and it is unnecessary for me to comment upon them at present.

7. It is satisfactory to be able to state that the tranquillity of the Island has remained throughout the year undisturbed in a single instance.

8. The health of the people in certain parts of the Island during the earlier months of the year gave some cause for anxiety. Cholera existed in Colombo during the period from January to April, and again in August and September. Small-pox was present to some extent in the Northern and Eastern parts of the Island, and fevers of an intermittent type were prevalent in some of the inland, and generally more unhealthy districts. I am glad, however, to be able to inform you that at present the health of the Island is in a satisfactory state. Owing to the prompt and energetic action of the Medical Department, there is now no cholera in Colombo, nor in any other part of the country, and the number of cases of small-pox is but small.

9. The effort made by the Department of Public Instruction to introduce and popularize more modern ideas of Agriculture still continues, and it is satisfactory to find that so far as results have been reported, they are favorable, and shew an increase in the yield of paddy.

10. On the 1st January the whole of the Railway administration was placed in charge of one officer – the General Manager – the dual control previously existing having been abolished. The result has been an increase of efficiency in the administration, and a considerable reduction in the working expenses

11. The last section of the Nánu-oya Extension was opened for traffic on 20th May. It was however, unfortunately, again closed from the 26th June to the 13th August in consequence of slips that occurred owing to the unusually severe and continuous monsoon rains.

12. Post Office Savings Banks were opened for the first time in Ceylon on the 1st May last, and so far it may fairly be held that they have proved to have provided, in no small measure, for a want felt by the people. There are now Post Office Savings Banks at 32 stations; the number of depositors is about 1,600; and the total amount to the credit of the depositors is about Rs. 26,000.

13. Since last we met in this room, death has removed from amongst us the genial kindly man, to whom we have been accustomed to look for leadership and advice. The official career of the late Lieutenant-Governor, Sir John Douglas, arrested at first by sickness and terminated by his early death, gave ample promise of entering upon a large future of more extended usefulness and honour. When we remember the zeal and assiduity with which he worked, his undoubted tact as leader of this Council, his long service, great ability, and large and varied experience, and his high position as second in honour in this Colony, it is only fitting if, for a moment, I indulge a public expression of my deep regret for his loss,—regret shared in alike by all classes of the community, and by His Excellency the Governor, who in his private letters to me touches most feelingly on the sad event.

14. In conclusion, I desire to assure you of my sincere and earnest interest in the prosperity of the Colony, and I pray that the blessing of Almighty God may rest upon our meetings here, and that the wisdom which descends from above may direct and guide our deliberations.

3. His Honor the Administrator having retired, the chair was taken by the Hon. W. H. Ravenscroft, Acting Colonial Secretary.

4. ADDRESS IN REPLY TO HIS HONOR'S SPEECH —The Hon. G. W. Paterson, Acting Treasurer, moved that the following gentlemen be appointed a Sub-Committee to prepare the Address in reply to His Honor's Speech :—The Hon. the Treasurer, the Hon. the Government Agent of the Western Province, the Hon. the Surveyor-General, the Hon. P. Rámá-Náthan, the Hon. A. L. De Alwis, and the Hon. R. A. Bosanquet.

Seconded by the Hon. J. VanLangenberg.—Carried.

5. PAPERS - The Colonial Secretary laid on the table :—

Administration Reports, 1884.

Ceylon Blue Book, 1884.

Sessional Paper I. of 1885.—Report of the Select Committee of the Legislative Council appointed to consider and report upon the petition of certain Members of the Congregation of the Maradána Mosque on the subject of their rights to family interment in the burial ground attached thereto.

Sessional Paper III. of 1885.- Statement showing the Districts, Presidents, their Salaries and Staffs, and the number and the nature of the Cases disposed of during the year 1884.

Statement and Account of the Widows' and Orphans' Pension Fund for the year ending 31st December, 1884.

Despatch from the Secretary of State, No. 43 of 23rd February, 1885, conveying confirmation and allowance of the Ordinance No. 19 of 1884 of the Legislature of Ceylon.

Despatch from Secretary of State, No. 96 of 21st March, 1885, requesting that steps be taken for procuring the enactment of an Ordinance for extending for a further period of twelve months the operation of Ordinance No. 7 of 1881, relative to the Status of French Mail Steamers in the Ports of this Colony.

Numerical Abstracts showing the number of persons in the several Provinces of the Island liable to perform labour under the Ordinance No. 10 of 1861 during the year 1886.

Statement showing the Amount of Schedule Fees recovered by the Fiscals of the several Provinces under clause 16 of Ordinance No. 4 of 1867 during the quarters ended 30th September and 31st December, 1884, and 31st March and 30th June, 1885.

Statement showing in detail the amount of labour performed and money paid under the Ordinance No. 10 of 1861 during the year 1884.

On the motion of the Colonial Secretary, the Council at its rising adjourned to Wednesday, the 4th November, 1885, at 3 o'clock P.M.

Wednesday, 4th November, 1885.

1. The Council met pursuant to adjournment. The Acting Colonial Secretary took the chair
2. Proceedings of the last meeting read and confirmed.
3. ADDRESS IN REPLY TO HIS HONOR'S SPEECH.—The Hon. the Acting Treasurer brought up the reply of the Council to the Address of His Honor, which was read by the Clerk of the Council. The Hon. the Acting Treasurer moved the adoption of the Draft Address.

   Seconded by the Hon. R. A. Bosanquet.—Carried.
4. His Honor the Administrator of the Government having arrived, took the chair.
5. The Acting Colonial Secretary read the Address of the Council in reply to His Honor's Speech :—

MAY IT PLEASE YOUR HONOR,

THE Legislative Council desire to offer to Your Honor their thanks for your Address. They appreciate the considerations which have led Your Honor to call them together in anticipation of the return of Sir Arthur Gordon, and they assure you of their willing aid in advancing the measures that may be submitted to them.

2. Whilst the Council regret that the actual revenue for the past year did not quite reach the amount estimated, they are glad to find that there is an increase in all those branches which depend on industrial enterprise—notably under the head of Land Sales—and they trust that this increase may continue during the present and succeeding years. It is satisfactory to note that the total revenue of 1884 was in excess of that of 1883.

3. The Council concur in the tribute paid by Your Honor to the memory of the late Lieutenant-Governor, Sir John Douglas, and unite in recording their deep regret for the loss which they and the Island generally have sustained by his untimely death.

4. In conclusion, the Legislative Council desire to acknowledge the warm interest which Your Honor has expressed in the welfare of the Island and of its people; they join in the earnest hope that their proceedings may be so directed as to secure the common end which they and Your Honor have in view.

By Order,

R. W. IEVERS,

Clerk to the Council.

6. His Honor replied as follows :—

HONOURABLE GENTLEMEN OF THE LEGISLATIVE COUNCIL,

I THANK you for your Address. I have a sanguine hope that the Session of 1885 will be fruitful of good work.

7. PAPER.—The Colonial Secretary laid on the table the following paper :—

   Report of the Commissioners appointed to inquire into the Law of Mortgage in Ceylon.
8. TOLLS BILL.—On the motion of the Attorney-General, seconded by the Colonial Secretary, the Bill intituled "An Ordinance authorizing the Legislative Council, by Resolution, to establish Tolls, and the Governor in Executive Council, by Resolution, to abolish Tolls and to alter the places where Tolls shall be collected," was read a first time, and the second reading fixed for the next meeting of Council.
9. FRENCH MAIL STEAMERS BILL.—On the motion of the Colonial Secretary, seconded by the Attorney-General, the Bill intituled "An Ordinance for further continuing the Ordinance No. 7 of 1881, intituled 'An Ordinance to make temporary provision for securing the Status of French Mail Steamers within the Ports of this Colony,'" was read a first time, and the second reading fixed for next meeting of Council.
10. BILL RELATING TO THE JURISDICTION OF COURTS OF REQUESTS IN PARTITION SUITS.—On the motion of the Colonial Secretary, seconded by the Attorney-General, the Bill intituled "An Ordinance to remove doubts as to the Jurisdiction of Courts of Requests in Partition Suits," was read a first time, and the second reading fixed for next meeting of Council.

11. BILL AMENDING THE CODE OF MOHAMMEDAN LAWS AND PROVIDING FOR THE REGISTRATION OF MOHAMMEDAN MARRIAGES CONTRACTED IN THIS COLONY.—On the motion of the Attorney-General, seconded by the Colonial Secretary, the Bill intituled "An Ordinance to amend the Code of Mohammedan Laws, intituled 'Special Laws concerning Moors or Mohammedans,' and to provide for the registration of Mohammedan Marriages contracted in this Colony," was read a first time, and the second reading fixed for next meeting of Council.

12. BILL RELATING TO VILLAGE COMMUNITIES.—On the motion of the Colonial Secretary, seconded by the Attorney-General, the Bill intituled "An Ordinance to amend the Ordinance No. 34 of 1884 relating to Village Communities," was read a first time, and the second reading fixed for next meeting of Council.

13. BILL RELATING TO THE RECOVERY OF THE COMMUTATION OF THE PADDY TAX.—On the motion of the Attorney-General, seconded by the Colonial Secretary, the Bill intituled "An Ordinance to amend the provisions of the Ordinance No. 5 of 1866, relating to the recovery of the commutation of the Paddy Tax," was read a first time, and the second reading fixed for next meeting of Council.

On the motion of the Colonial Secretary, the Council at its rising adjourned to Wednesday, the 11th November, at 3 o'clock P.M.

Wednesday, 11th November, 1885.

1. The Council met pursuant to adjournment. His Excellency the Governor took the chair.
2. Proceedings of the last meeting read and confirmed.
3. MEMBER SWORN.—The oath of allegiance was taken by the Hon. R. B. Downall.
4. ADDRESS OF HIS EXCELLENCY THE GOVERNOR.—His Excellency the Governor read the following Address to the Legislative Council:—

HONOURABLE GENTLEMEN OF THE LEGISLATIVE COUNCIL,

In the Address with which my honourable and gallant friend, the Major-General lately Administering the Government, opened the present Session of the Legislative Council, he informed you that the revenue of 1884 had exceeded the expenditure by Rs. 84,147 and nearly realized the estimated amount, and that the receipts for the first nine months of the present year were not unsatisfactory. I have nothing to add to this statement, except that the amount of revenue received during the month of October considerably exceeded the usual monthly average, and that there is now no reasonable doubt that the revenue of 1885 will fall very slightly, if at all, short of the estimate, while the expenditure will have been kept considerably below the amount sanctioned by the votes of the Legislature.

The Estimates for the year 1886 are now in course of preparation, and will be laid before you with the least possible delay. They will, as was the case last year, be accompanied by a Message explanatory of their details, and to the opportunity afforded by its presentation I defer the greater part of the observations I have to offer, not only with regard to the Estimates themselves, but as to other matters of public policy.

I cannot, however, resume the chair of this Council without at once adverting to some few topics of general interest. I regret to say that I have as yet been unable to obtain the sanction of the Imperial Government to the extension of the railway from Nánu-oya to Haputalé. That sanction has not been refused, but it has not been granted. Her Majesty's Ministers are not convinced by the arguments hitherto employed that the undertaking will prove remunerative, and are not satisfied as to the ability of the Colony to bear the burden of the requisite loan. Further explanations have been asked for on both these heads. I have done my best to remove the doubts of the Imperial Government, and have not failed to point out that hesitation and delay in the decision of this question are likely to inflict such grave injury on the interests which the construction of the railway is meant to benefit as no ultimate and tardy assent may perhaps be able to repair.

I had not been able to obtain a decisive answer before I left England, but I entertain a sanguine expectation that the reluctance of Her Majesty's Government to authorize this undertaking may in the end be overcome. Meanwhile, it is my intention to ask you to adopt those Legislative measures which it would be requisite for us to take were that sanction already given, the grant of which, as I trust, I only anticipate. If the necessary Loan Ordinance be passed, we shall be ready at once to commence operations whenever permission to act is received. If, on the other hand, the decision of Her Majesty's Government be adverse to our hopes,—a result which is, I trust, improbable,—the provisions of the Ordinance will not be acted on.

It is the wish of Her Majesty's Government that I should invite your attention to the question of the defence of Colombo. I have directed correspondence on the subject to be laid before you, which I have no doubt will receive your careful consideration.

It is not the desire of Her Majesty's Government to influence your deliberations on the subject, but to leave the acceptance or rejection of the proposals made by the Secretary of State to the unfettered decision of this Council. Those proposals originally were that the whole cost of the works and armament required should be paid by the Colony, should the Colony desire to

undertake the fortification of Colombo; but these propositions have since been modified, and may now be generally stated to be that the Imperial Government should provide the armament of the fortifications, and that the cost of the construction and upkeep of the works, of the acquisition of sites, and of the maintenance of the additional force which will be required, should be borne by the Colony.

Resolutions based upon the recommendations of the Commission appointed to consider the Mortgage Law of the Colony will be proposed for your adoption, and should they be accepted by you, an Ordinance to give effect to the changes determined on will be submitted for your consideration.

It is my intention again to invite you to discuss a measure for the establishment of Reformatory Schools, of which the time at the disposal of the Council did not permit sufficiently careful examination before the close of the last Session.

An Ordinance with regard to Municipalities will also be submitted to you for consideration.

My absence from the Island, and the uncertainty existing as to the views of Her Majesty's Government on some points of policy, have necessarily delayed the period of your being called together. I had hoped to bring before you some measures of considerable importance, but I am not without apprehension that time may be found wanting for that deliberate consideration of their provisions, which it is absolutely necessary they should receive before being made law. It may, I hope, be found possible at all events to introduce at least some of these Bills, but I much fear that to command for them due attention it will be requisite to defer their consideration either to a special Session or to the ordinary Session of 1886, which will, I trust, commence at an earlier date than has been found practicable during the last few years. These measures will include a re-handling of the Arrack Laws, and an attempt to deal with the much-vexed question known as that of the Buddhist Temporalities.

Unexpected obstacles have retarded the bringing into operation of the provisions of the Forest Ordinance. These have now been removed, and the law will be set in motion during the coming year.

There is every reason to be satisfied with the successful working of the Thoroughfares Ordinance passed by you last year. I had not anticipated that its effects would be very perceptible during the first year of its existence, but I am happy to be able to inform you that the amount received as commutation in lieu of labour for the six months ending on the 30th June of this year exceeded by nearly Rs. 70,000 the amount received on the same account for the same period in 1884.

The Irrigation Board appointed in compliance with the wish expressed by a resolution of this Council has proved most useful. Its reports will be found of great assistance in the consideration of the proposals for irrigation works to be undertaken in the coming year.

My honourable and gallant friend, in his opening Address, referred in just and feeling terms to the loss which the Colony has sustained by the retirement and death of the late Sir John Douglas. In every word said by him I concur. But I cannot again take my seat here without some expression of the loss which I personally have sustained in being deprived of the benefit of his assistance, and more especially at this table.

Invariably courteous, gifted with rare tact and a conciliatory temperament, he was eminently qualified to take a leading part in the discussion of such an Assembly. Where his influence prevailed, it might be deemed certain that differences of opinion would be maintained with courtesy, and that discussion would never be allowed to excite angry feeling or degenerate into asperity of expression, while the fullest and fairest consideration was ensured to every proposal made and argument urged.

Some of the measures which have been or will be brought before you are of importance, but none of them, so far as I am aware, are calculated to interfere with that harmony of action which I desire to see prevail among all members of this Council, and the maintenance of which is, I am certain, of the highest importance to the public good.

5. PAPERS.—The Colonial Secretary laid on the table the following papers :—

Sessional Paper V. of 1885.—Revised Code for Aided Schools, 1886.

Do. VI. do. —Report on the Pearl Banks, by Captain J. Donnan.

6. PETITION.—The Hon. P. Ráma-Náthan presented a petition from certain inhabitants of Colombo professing the Mohammedan faith, on the subject of the Draft Ordinance for the registration of Mohammedan marriages before Council.

7. TOLLS BILL.—On the motion of the Attorney-General, seconded by the Colonial Secretary, the Bill was read a second time, and the Council went into Committee thereon. The Attorney-General having reported the Bill unamended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

8. FRENCH MAIL STEAMERS BILL.—On the motion of the Colonial Secretary, seconded by the Attorney-General, the Bill was read a second time, and the Council went into Committee thereon. The Colonial Secretary having reported the Bill unamended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

9. BILL RELATING TO THE JURISDICTION OF COURTS OF REQUESTS IN PARTITION SUITS.—On the motion of the Colonial Secretary, seconded by the Attorney-General, the Bill was read a second time, and the Council went into Committee thereon. The Colonial Secretary having reported the Bill as amended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

10. BILL RELATING TO THE REGISTRATION OF MOHAMMEDAN MARRIAGES.—On the motion of the Attorney-General, seconded by the Colonial Secretary, the second reading of the Bill was deferred for a fortnight.

11. BILL RELATING TO VILLAGE COMMUNITIES.—On the motion of the Colonial Secretary, seconded by the Attorney-General, the Bill was read a second time, and the Council went into Committee thereon. The Colonial Secretary having reported the Bill unamended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

12. BILL RELATING TO THE RECOVERY OF THE COMMUTATION OF THE PADDY TAX.—On the motion of the Attorney-General, seconded by the Colonial Secretary, the Bill was read a second time, and the Council went into Committee thereon. The Attorney-General having reported the Bill unamended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

13. BILL AMENDING THE THOROUGHFARES ORDINANCE No. 10 OF 1861.—On the motion of the Colonial Secretary, seconded by the Treasurer, the Bill intituled "An Ordinance to amend the Public Thoroughfares Ordinance, No. 10 of 1861" was read a first time, and the second reading fixed for the next meeting of Council.

14. BILL TO CONSOLIDATE AND AMEND THE LAW PROVIDING FOR THE GRANT OF PENSIONS TO WIDOWS AND CHILDREN OF DECEASED PUBLIC OFFICERS OF THIS COLONY.—On the motion of the Colonial Secretary, seconded by the Treasurer, the Bill intituled "An Ordinance to consolidate and amend the Law providing for the granting of Pensions to Widows and Children of deceased Public Officers of this Colony" was read a first time, and the second reading fixed for the next meeting of Council.

15. BILL TO AMEND THE ORDINANCE No. 31 OF 1884.—On the motion of the Attorney-General, seconded by the Colonial Secretary, the Bill intituled "An Ordinance to amend the Ordinance No. 31 of 1884" was read a first time, and the second reading fixed for the next meeting of Council.

16. BILL TO EXEMPT FROM ATTACHMENT, SEQUESTRATION, OR SEIZURE IN EXECUTION, THE SALARIES OF PUBLIC OFFICERS.—On the motion of the Colonial Secretary, seconded by the Attorney-General, the Bill intituled "An Ordinance exempting from attachment, sequestration, or seizure in execution, the Salaries of Public Officers," was read a first time, and the second reading fixed for the next meeting of Council.

17. BILL RELATING TO THE CEYLON RAILWAYS.—On the motion of the Attorney-General, seconded by the Colonial Secretary, the Bill intituled "An Ordinance relating to the Ceylon Railways," was read a first time, and the second reading fixed for the next meeting of Council.

On the motion of the Colonial Secretary, the Council at its rising adjourned to Wednesday the 18th November, at 2.30 o'clock P.M.

Wednesday, 18th November, 1885.

1. The Council met pursuant to adjournment. His Excellency the Governor took the chair.

2. Proceedings of the last meeting read and confirmed.

3. PARTITION ORDINANCE, No. 10 OF 1863.—The Hon. A. L. De Alwis gave notice that at the next meeting of Council he would call attention to the Partition Ordinance of 1863, and move that, with the object of preventing the possibility of obtaining collusive decrees under this Ordinance, and with the view of enabling parties possessing lands in common in this country taking more frequent advantage of the provisions of this Ordinance, it is necessary that the said Ordinance should be amended in certain respects.

4. CIVIL PROCEDURE BILL. The Hon. P. Ráma-Náthan, pursuant to notice, asked whether there was any prospect of the long-deferred Bill relating to Civil Procedure being early submitted for the consideration of the Council.

The Attorney-General replied.

5. LAND IN THE KELANI VALLEY. The Hon. R. B. Downall, pursuant to notice, asked why the blocks of land in the Kelani Valley, advertised for sale on the 27th of October, were withdrawn on the 23rd of that month.

The Surveyor-General replied.

6. RAILWAY EXTENSION.—The Hon. R. B. Downall, pursuant to notice, moved that all Despatches, other than those already made public, with reference to Railway Extension be laid on the table.

His Excellency the Governor replied.

7. MUNICIPAL BILL.—The Hon. P. Ráma-Náthan, by leave of Council, withdrew the motion on this subject appearing in his name in the Order of the Day.

8. TOLLS BILL.—The report of the Law Officers of the Crown, dated the 17th instant, stating that there was in their opinion no legal objection to the execution by the Colonial Tribunals of a law in terms of this Bill, having been read, the Bill was, on the motion of the Attorney-General, seconded by the Colonial Secretary, read a third time and passed.

9. FRENCH MAIL STEAMERS BILL.—The report of the Law Officers of the Crown, dated the 17th instant, stating that there was in their opinion no legal objection to the execution by the Colonial Tribunals of a law in terms of this Bill, having been read, the Bill was, on the motion of the Colonial Secretary, seconded by the Attorney-General, read a third time and passed.

10. BILL TO REMOVE DOUBTS AS TO THE JURISDICTION OF COURTS OF REQUESTS IN PARTITION SUITS.—The report of the Law Officers of the Crown, dated the 17th instant, stating that there was in their opinion no legal objection to the execution by the Colonial Tribunals of a law in terms of this Bill, having been read, the Bill was, on the motion of the Colonial Secretary, seconded by the Attorney-General, read a third time and passed.

11. BILL RELATING TO VILLAGE COMMUNITIES.—The report of the Law Officers of the Crown, dated the 17th instant, stating that there was in their opinion no legal objection to the execution by the Colonial Tribunals of a law in terms of this Bill, having been read, the Bill was, on the motion of the Colonial Secretary, seconded by the Attorney-General, read a third time and passed.

12. BILL RELATING TO THE RECOVERY OF THE COMMUTATION OF THE PADDY TAX.—The report of the Law Officers of the Crown, dated the 17th instant, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of this Bill, having been read, the Bill was, on the motion of the Attorney-General, seconded by the Colonial Secretary, read a third time and passed.

13. BILL TO AMEND THOROUGHFARES ORDINANCE, 1861.—On the motion of the Colonial Secretary seconded by the Attorney-General, the Bill was read a second time, and the Council went into Committee thereon. The Colonial Secretary having reported the Bill as amended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

14. BILL TO AMEND AND CONSOLIDATE THE LAW PROVIDING FOR THE GRANTING OF PENSIONS TO WIDOWS AND CHILDREN OF PUBLIC OFFICERS OF THIS COLONY.—On the motion of the Colonial Secretary, seconded by the Attorney-General, the Bill was read a second time, and the consideration of the Bill in Committee was deferred till the next meeting of Council.

15. BILL TO AMEND ORDINANCE No. 31 OF 1884.—On the motion of the Attorney-General, seconded by the Colonial Secretary, the Bill was read a second time, and the Council went into Committee thereon. The Attorney-General having reported the Bill as amended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

16. BILL TO EXEMPT FROM ATTACHMENT, SEQUESTRATION, OR SEIZURE IN EXECUTION, THE SALARIES OF PUBLIC OFFICERS.—On the motion of the Colonial Secretary, seconded by the Attorney-General, question was put that the Bill be read a second time.

The Hon. R. A. Bosanquet opposed the second reading of the Bill.

THE COUNCIL DIVIDED.

Ayes.	*Noes.*
The Hon. R. B. Downall.	The Hon. R. A. Bosanquet.
The Hon. F. M. Mackwood.	The Hon. A. L. De Alwis.
The Hon. J. VanLangenberg.	The Hon. P. Ráma-Náthan.
The Surveyor-General.	
The Government Agent, Western Province.	
The Treasurer.	
The Attorney-General	
The Major-General.	
The Colonial Secretary.	

Ayes, 9; Noes, 3; Majority, 6.—Motion lost.

Bill read a second time, and the Council went into Committee thereon. The Colonial Secretary having reported the Bill as amended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

17. BILL RELATING TO THE CEYLON RAILWAYS.—On the motion of the Attorney-General, seconded by the Colonial Secretary, the Bill was read a second time and the Council went into Committee thereon. The Attorney-General having reported progress, schedule B. of the Bill was, on the motion of the Attorney-General, seconded by the Colonial Secretary, referred to a Sub-Committee consisting of the Colonial Secretary, the Attorney-General, the Treasurer, the Hon. P. Ráma-Náthan, the Hon. R. A. Bosanquet, and the Hon. R. B. Downall.

18. Bill relating to Postal Orders.—On the motion of the Colonial Secretary, seconded by the Attorney-General, the Bill intituled "An Ordinance relating to Postal Orders" was read a first time, and the second reading fixed for the next meeting of Council.

On the motion of the Colonial Secretary, the Council at its rising adjourned till Wednesday next, the 25th instant, at 2.30 o'clock P.M.

Wednesday, 25th November, 1885.

1. The Council met pursuant to adjournment. His Excellency the Governor took the chair.
2. Proceedings of last meeting read and confirmed.
3. Petition.—The Hon. P. Ráma-Náthan presented a petition from certain inhabitants of Galle professing the Mohammedan faith, praying that the Bill now before Council in reference to Mohammedan marriages be not passed.

   Petition laid on the table.
4. Nánu-oya Railway.—The Hon. R. A. Bosanquet gave notice that at the next sitting of Council he would ask when the Government intend to publish the final accounts in connection with the construction of the railway to Nánu-oya, and move for a return showing the staff at present employed by the Government to supervise that portion of the line the upkeep of which is in the hands of the Contractors, with details of the monthly payments made to that staff.
5. Rules and Orders.—The Government Agent of the Western Province, by leave of the Council, withdrew the motion on this subject appearing in his name in the Order of the Day.
6. Partition Ordinance, 1863.—The Hon. A. L. De Alwis, pursuant to notice, called attention to the Partition Ordinance of 1863, and moved that, with the object of preventing the possibility of obtaining collusive decrees under this Ordinance, and with the view of enabling parties possessing lands in common in this country taking more frequent advantage of the provisions of this Ordinance, it was necessary that the said Ordinance should be amended in certain respects.

   Seconded by the Hon. P. Ráma-Náthan.
   The Attorney-General replied. Motion agreed to.
7. Bill to amend the Thoroughfares Ordinance No. 10 of 1861.—The report of the Law Officers of the Crown, dated the 24th instant, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of this Bill, having been read, the Bill was, on the motion of the Colonial Secretary, seconded by the Attorney-General, read a third time and passed.
8. Bill to amend and consolidate the Law providing for the granting of Pensions to Widows and Children of deceased Public Officers of this Colony.—The Council in Committee resumed consideration of the Bill. The Colonial Secretary having reported the Bill as amended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.
9. Bill to amend Ordinance No. 31 of 1884.—The report of the Law Officers of the Crown, dated the 24th instant, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of this Bill, having been read, the Bill was, on the motion of the Attorney-General, seconded by the Colonial Secretary, read a third time and passed.
10. Bill to provide for the exemption from attachment, sequestration, or seizure in execution, the Salaries of Public Officers.—The report of the Law Officers of the Crown, dated the 24th instant, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of this Bill, having been read, the Bill was, on the motion of the Colonial Secretary, seconded by the Auditor-General, read a third time and passed.
11. Bill relating to Postal Orders.—On the motion of the Colonial Secretary, seconded by the Auditor-General, the Bill was read a second time, and the Council went into Committee thereon. The Colonial Secretary having reported the Bill as amended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.
12. Bill relating to the Registration of Mohammedan Marriages.—On the motion of the Attorney-General, seconded by the Colonial Secretary, the second reading of this Bill was deferred till the next meeting of Council.
13. Supplementary Supply Bill, 1885.—On the motion of the Auditor-General, seconded by the Attorney-General, the Bill intituled "An Ordinance for making provision for the Supplementary Contingent Charges for the year 1885" was read a first time, and the second reading fixed for the next meeting of Council.

On the motion of the Colonial Secretary, the Council at its rising adjourned till Wednesday, the 2nd December, 1885, at 2.30 o'clock P.M.

Wednesday, 2nd December, 1885.

1. The Council met pursuant to adjournment. His Excellency the Governor took the chair.

2. Proceedings of the last meeting read and confirmed.

3. MESSAGE BY THE GOVERNOR.—The Colonial Secretary brought up the following Message from His Excellency the Governor on the subject of the defence of Colombo, which was read by the Clerk of the Council:—

THE Governor has directed copies of correspondence which has passed between himself and the Secretary of State for the Colonies, on the subject of the defence of Colombo, to be laid before the Legislative Council.

The decision of the question, whether the present obsolete defences of Colombo should be replaced by others of a more effective character, or the city allowed to remain practically unprotected from attack, is left by the Imperial Government wholly in the hands of this Council. In the event of a resolution being adopted in favour of the erection of additional fortifications, Her Majesty's Government will furnish the armament of the new batteries, on condition that the cost of the acquisition of sites, of the construction of works, and of the maintenance of the additional force required to man them, is borne by the Colony. Such an expenditure is, of course, not expenditure of a directly remunerative character, and must be looked on in the light of an insurance against possible danger. The wisdom, or the reverse, of effecting such an insurance must depend upon the degree of risk run and security afforded by it, as compared with the burdens which it entails.

His Excellency proposes to refer these papers to a Select Committee, by which their contents will be carefully and impartially considered, and the report of which will no doubt materially assist the Council to arrive at a just conclusion on this important subject.

On the motion of the Colonial Secretary, seconded by the Attorney-General, a Select Committee, composed of the Lieutenant-Governor, the Major-General, the Attorney-General, the Surveyor-General, the Hon. J. Van Langenberg, the Hon. P. Ráma-Náthan, the Hon. R. A. Bosanquet, and the Hon. R. B. Downall, was appointed to consider and report upon the subject.

In connection with the above the Colonial Secretary laid on the table—

Sessional Paper VIII. of 1885.—Despatches relating to the proposed Fortifications of Colombo.

He also laid on the table—

Sessional Paper IX. of 1885.—Report by Captain Donnan on an experimental cultivation of Pearl Oysters.

4. PETITION.—The Hon. A. L. De Alwis presented a petition from certain inhabitants of the Talpé Pattu of Galle, in the Southern Province, complaining of the present mode adopted in recovering assessment under the Grain Tax Ordinance, and the payment of water-rate.

Petition ordered to lie on the table.

5. NÁNU-OYA RAILWAY.—The Hon. R. A Bosanquet, pursuant to notice, asked when the Government intended to publish the final accounts in connection with the construction of the Railway to Nánu-oya, and moved for a return showing the staff at present employed by the Government to supervise that portion of the line the upkeep of which was in the hands of the Contractors, with details of the monthly payments made to their staff.

Seconded by the Hon. P. Ráma-Náthan.

The Colonial Secretary replied, laying on the table the required papers.

6. BILL TO CONSOLIDATE AND AMEND THE LAW PROVIDING FOR THE GRANTING OF PENSIONS TO WIDOWS AND CHILDREN OF DECEASED PUBLIC OFFICERS OF THIS COLONY.—The report of the Law Officers of the Crown, dated the 30th ultimo, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of the Bill, having been read, the Bill was, on the motion of the Colonial Secretary, seconded by the Attorney-General, recommitted and amended. The Bill as amended was read a third time and passed.

7. BILL RELATING TO POSTAL ORDERS.—The report of the Law Officers of the Crown, dated the 30th ultimo, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of the Bill, having been read, the Bill was, on the motion of the Colonial Secretary, seconded by the Attorney-General, read a third time and passed.

8. BILL TO PROVIDE FOR THE REGISTRATION OF MOHAMMEDAN MARRIAGES CONTRACTED IN THIS COLONY.—On the motion of the Attorney-General, seconded by the Colonial Secretary, the Bill was read a second time. The Council having gone into Committee thereon, the Bill was referred to a Sub-Committee composed of the Colonial Secretary, the Attorney-General, the Treasurer, the Auditor-General, the Government Agent, Western Province, the Hon. J. Van Langenberg, the Hon P. Ráma-Náthan, the Hon. A. L. De Alwis, and the Hon. R. A. Bosanquet.

9. SUPPLEMENTARY SUPPLY BILL, 1885.—On the motion of the Auditor-General, seconded by the Colonial Secretary, the Bill was read a second time, and the Council went into Committee thereon. The Auditor-General having reported progress, the further consideration of the Bill in Committee was postponed till the next meeting of Council.

10. BILL RELATING TO YOUTHFUL OFFENDERS.—On the motion of the Attorney-General, seconded by the Auditor-General, the Bill intituled "An Ordinance relating to Youthful Offenders" was read a first time, and the second reading fixed for next meeting of Council.

On the motion of the Auditor-General, the Council at its rising adjourned till Wednesday next, the 9th instant, at 2.30 o'clock P.M.

Wednesday, 9th December, 1885.

1. The Council met pursuant to adjournment. His Excellency the Governor took the chair.
2. Proceedings of the last meeting read and confirmed.
3. PETITION.—The Hon. A. L. De Alwis presented a petition from certain inhabitants of the Galle District, having reference to the present system of recovering grain tax.

   Petition ordered to lie on the table.
4. PETITION.—The Hon. F. M. Mackwood presented a petition signed by certain residents in Colombo against the passing of the Mohammedan Marriage Registration Bill, and moved that it be read by the Clerk of the Council.

   Petition read and ordered to lie on the table.
5. ASSENT TO BILLS.—The Colonial Secretary announced to the Council that His Excellency the Governor had given his assent to the following Ordinances :—

   Ordinance No. 12 of 1885, intituled "An Ordinance authorizing the Legislative Council, by Resolution, to establish Tolls, and the Governor in Executive Council, by Resolution, to abolish Tolls and to alter the places where Tolls shall be collected."

   Ordinance No. 13 of 1885, intituled "An Ordinance for further continuing the Ordinance No. 7 of 1881, intituled 'An Ordinance to make temporary provision for securing the Status of French Mail Steamers within the Ports of this Colony.'"

   Ordinance No. 14 of 1885, intituled "An Ordinance to remove doubts as to the Jurisdiction of Courts of Requests in Partition Suits."

   Ordinance No. 15 of 1885, intituled "An Ordinance to amend the Ordinance No. 34 of 1884, relating to Village Communities."

   Ordinance No. 16 of 1885, intituled "An Ordinance to amend the provisions of the Ordinance No. 5 of 1866 relating to the recovery of the commutation of the Paddy Tax."

   Ordinance No. 17 of 1885, intituled "An Ordinance to amend the Public Thoroughfares Ordinance No. 10 of 1861."

   Ordinance No. 18 of 1885, intituled "An Ordinance to amend the Ordinance No. 31 of 1884."

   Ordinance No. 19 of 1885, intituled "An Ordinance exempting from attachment, sequestration, or seizure in execution, the Salaries of Public Officers."
6. PAPER.—The Colonial Secretary laid on the table—

   Sessional Paper VII. of 1885.—Proceedings of the Interim Irrigation Board.
7. SHIPS' BILLS OF HEALTH.—The Hon. R. A. Bosanquet gave notice that at the next meeting of Council he would move for a return of the amounts received during the last three years by the Civil Medical Department in payment of Ships' Bills of Health, showing how these sums are brought to account in the revenue returns, or how they are disposed of.
8. BACKWATER AT KALUTARA.—The Hon. A. L. De Alwis gave notice that at the next meeting of Council he would move that all correspondence between Government, the Public Works Department, and the Local Board of Kalutara, with reference to the lagoon or backwater at Kalutara (caused by the formation of a sand-bank across the Kalu-gaṇga near its southern extremity), together with any medical reports on the subject which may have been made at different times by the several medical men who had been stationed at Kalutara, may be laid on the table.
9. SUPPLEMENTARY SUPPLY BILL, 1885.—On the motion of the Auditor-General, seconded by the Colonial Secretary, the Council in Committee resumed consideration of the Bill. The Auditor-General having reported the Bill amended, the report was adopted and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.
10. BILL RELATING TO YOUTHFUL OFFENDERS.—On the motion of the Attorney-General, seconded by the Colonial Secretary, the Bill was read a second time. The Council having gone into Committee thereon, the Bill was referred to a Sub-Committee, consisting of the Attorney-General, the Treasurer, the Government Agent, Western Province, the Hon. J. Van Langenberg, the Hon. P. Ráma-Náthan, and the Hon. R. A. Bosanquet.

On the motion of the Colonial Secretary, the Council at its rising adjourned till Friday, the 11th instant, at 2.30 o'clock P.M.

Friday, 11th December, 1885.

1. The Council met pursuant to adjournment. His Excellency the Governor took the chair.
2. Proceedings of the last meeting read and confirmed.
3. MESSAGE BY THE GOVERNOR.—The Colonial Secretary brought up the following Message by the Governor on the Estimates for the year 1886, and moved that it be read by the Clerk of the Council. Read accordingly :—

THE Governor has directed the Estimates of Revenue and Expenditure for the year 1886 to be laid before the Legislative Council.

The estimated Revenue of 1886 amounts to Rs. 13,117,900, and the Expenditure to Rs. 13,023,551·58, an excess over the estimated Revenue and Expenditure of 1885 of Rs. 464,460 and Rs. 379,966 respectively, and of Rs. 715,535 and Rs. 705,333 over the actual Revenue and Expenditure of 1884.

The Revenue for 1884 exceeded that of 1883 by Rs. 5,788. Over the Revenue of 1882 the Revenue of 1884 shows an increase of Rs. 240,796. So far as can be judged from the receipts of the first eleven months, the Revenue of the present year will realise and probably exceed the Estimate.

The revenue from Arrears of Revenue, Customs, Port and Harbour Dues, Rents, Taxes, Fines, Fees and Forfeitures, Electric Telegraph, Miscellaneous Receipts, and Pearl Fishery, are estimated at the same amount as last year.

In some items, however, of the Estimates now presented, there is an excess over those of the current year, and in others a more or less considerable reduction.

The actual receipts of the past and current year justify an increase of Rs. 30,000 in the estimated amount of Port Dues; and the increasing demand for land, both in small and large blocks, allows the revenue derivable from that source to be estimated at Rs. 400,000 instead of Rs. 300,000, as in the present year. The actual receipts for 1884 on this account were Rs. 428,838, and those for the present year, up to this time, have exceeded the estimated receipts by more than Rs. 52,000.

An increase of Rs. 100,000 may be anticipated in the Land Revenue.

Licenses were last year perhaps estimated somewhat too highly, though the calculations on which that estimate was formed were based on the receipts of 1884; but the fact that the arrack rents for the last half of 1885 and first half of 1886 were sold at a moment when public confidence was disturbed by grave apprehensions of war, renders it impossible to count on a very satisfactory return from this source for the coming year. The estimate made for the current year has therefore been diminished by Rs. 50,000 when calculating the receipts of 1886.

The receipts from Stamps will, however, probably exceed last year's estimate, and are calculated as likely to produce Rs. 1,060,000 in 1886.

Of the additional amount which it is expected will be realised under the head of Stamps, a large part consists in the proceeds of the sale of the adhesive stamps now used indifferently for Revenue and Postage purposes, and a corresponding deduction must be made in the item Postage which has hitherto included Postage stamps, and which is accordingly reduced to Rs. 15,000 instead of Rs. 250,000.

An increase of Rs. 10,000 is anticipated in the earnings of Government Vessels.

The Sale of Government Property is estimated at a less amount than last year, while the Reimbursements-in-aid are thought likely to be somewhat higher.

An increase of Rs. 200,000 is hoped for in the earnings of the Railway. This seems but reasonable when we remember that the line was only opened to Nánu-oya on the 20th of May last, and had subsequently to be again closed for a considerable period in consequence of extensive landslips, while, should no unforeseen calamity occur, it will be worked throughout the whole of next year.

On the whole, the prospect afforded by these Estimates is cheering. Not only has the decrease in the Revenue, which was continuous from 1878 to 1882, been checked, but a distinct tendency towards recovery appears to be exhibited. The Governor is no optimist, and is usually more inclined to regard the future with apprehension than with hope, but he sees no reason for alarm as to the financial prospects of the Colony.

The Estimates of Expenditure amount, on the whole, to Rs. 13,023,551·58, which, if they be not exceeded, and the Estimates of Revenue be realized, as His Excellency confidently anticipates they will be, will leave a surplus at the end of the year of Rs. 94,348·42.

Almost the only changes in the Estimates for Establishments worthy of remark are those rendered necessary by the contemplated division of the Central Province. The erection of the District of Badulla into a separate Government Agency has been pressed on His Excellency by the planters of the District, and he is aware that it is equally desired by the native population. That desire appears to him not unreasonable. It is not proposed to raise, at all events at present, the salary of the Government Agent above the amount now paid to the Assistant Agent at Badulla, and the only additional expenditure will be that involved in the appointment of an Office Assistant at Rs. 4,500 per annum. But as the salary of the Writer now employed at Badulla, Rs. 3,000, will be saved, the actual increase is no more than Rs. 1,500,—an amount which His Excellency believes will be much more than recouped by the additional receipts which may be expected from the District.

But it is not for financial reasons wholly, or chiefly, that the Province is divided. However great the energy of the Government Agent of the Central Province,—and it would be difficult to exceed that of the gentleman who lately filled the office,—it is physically impossible that any

Officer, chiefly resident at Kandy, should personally supervise in any detail this large and distant District. It is a District in which, on the one hand, the Planting industry has taken root, and would, if the railway were completed, develope yet further, and, on the other, is the home of a poor and disheartened population diminished and diminishing through droughts caused by the neglect of irrigation. It still possesses some of the most remarkable paddy cultivation in the Island, and everywhere shows traces of similar cultivation having been carried on up till very recent times, and abandoned solely on account of failure of crops resulting from a want of moisture. The area of the new Province is about 3,790 square miles. It contained at the last census a population of 167,975, and realised last year a revenue of Rs. 222,365, between two and three times the population and revenue of the North-Central Province. The Governor is sanguine of the good result which will follow the establishment of an authority in the Province directly responsible to the Governor for its condition; and to whom its interests will be the paramount object of attention.

It is intended again to appoint a Provincial Assistant to the Director of Public Works for the North-Central Province. That this would be the case was assumed by the Secretary of State for the Colonies when it was determined to retain the Province as a separate Government Agency, but from motives of economy the functions of the office have hitherto been discharged by the Provincial Assistant, North-Western Province. This arrangement has not conduced to efficiency, nor, His Excellency suspects, to true economy, and will henceforth be discontinued. On the other hand, it is proposed at some stations where the Provincial Assistant can himself exercise effective supervision, to replace the present Superintending Officer by an Inspector. The whole number of Superintending Officers will however be slightly increased, it being out of the question to maintain efficient supervision over the works now in hand without doing so. In compliance with the wish of the officers themselves, the Provincial Assistants to the Director of Public Works will henceforth be styled "Provincial Engineers," and the Superintending Officers "District Engineers."

The Governor had occasion last year to notice the rapid growth of the vote for Pensions, which had increased from Rs. 452,441 in 1881 to Rs. 597,760 for 1885, and which for the ensuing year is estimated at not less than Rs. 714,880. A portion of this increase is due to the fall in value of the rupee, and the greater amount of silver required to meet those pensions payable in sterling in London. But when it is remembered that in the twenty years between 1861 and 1881 the increase in the annual expenditure on pensions did not exceed Rs. 100,000, and that in the last five years it has increased by more than Rs. 250,000, matter is afforded for serious reflection.

The slight variations in the amount of other votes from those sanctioned last year do not, for the most part, require notice or comment here, and will be explained in detail when brought before the Council or the Sub-Committee.

The Estimates of the Public Works Department always require some elucidation, and to them His Excellency now turns.

It was stated last year that it would cost Rs. 200,000 to finish the new Lunatic Asylum, and a vote of Rs. 100,000 was taken on account. The vote of Rs. 97,000 now asked for will complete that building.

The Fort at Halmanheil has been fully repaired and converted into a lazaretto, and the sum voted by the Council last year for that purpose has not been exceeded, but a similar sum will be required for works to secure its protection from the sea, which threatens to undermine the rock on which it stands.

The Staff quarters at Nuwara Eliya were renovated in the early part of the year, but were unfortunately burned to the ground almost immediately after their completion. It was of course necessary to provide shelter for the Governor's staff, and some additions to the Cottage were accordingly made, the cost of which has been voted in the Supplementary Supply Bill. Of these urgent works His Excellency felt no scruple in at once ordering the construction, but he has awaited the meeting of the Council to ask its sanction to the erection of a new sitting-room, and of some other rooms and passages which may form part of a new and permanent house, and the addition of which is rendered desirable by the larger number of persons now lodged in the Cottage itself.

A sum of Rs. 10,000 is asked for the Mannár Causeway, a large part of the sum voted last year having been diverted to promote works in the Jaffna Peninsula rendered necessary by the cyclone.

Owing to petty but vexatious obstacles, the commencement of the Pundalu-oya-Wattagoda road, for which Rs. 75,000 was voted last year, was long delayed. It has now however been begun, or is on the point of being so, and will be prosecuted with energy, and the Council will be asked to sanction the carrying forward of last year's balance on this account.

A large portion of the money voted last year for the completion of the Puttalam-Trincomalee road was diverted to the repairs urgently called for by the damage done in the Northern Province by the cyclones of December and January. It is proposed during the coming year to expend Rs. 40,000 on this road. The Director of Public Works is sanguine that this will almost finish the work.

You are also asked to consider a vote of Rs. 33,000 on account, for survey and commencement of a road from Monarágala to Węllawáya, opening up a fertile and rising country and giving to the products of the district an outlet now well nigh denied them.

His Excellency is inclined to think that an exceptional case has been made out in favour of the Norton-Carolina road and bridge. This is however a question which he leaves to be entirely decided by the superior judgment and local information of the Sub-Committee.

The opening of a road to Udugama seems also a work well meriting the attention of the Council.

A sum of Rs. 10,000 is estimated for the opening of what is called a natural road, between Alutnuwara and Kehelulla to expedite mail communication between Batticaloa and Kandy, an improvement greatly desired by the Government Agent of the Eastern Province.

As was the case last year, while the estimate in the case of each item is given, a total sum for the construction of roads is named as that to which His Excellency fears the expenditure on this head must necessarily be limited. He leaves it to the Sub-Committee to select from among works, every one of which he would desire to see accomplished, those that in their opinion should be first undertaken.

The system of Road-making to which the Governor referred in his Message last year has now had a fair trial. It has by no means given universal satisfaction, but, in spite of objections, the Governor is firmly convinced that it is, on the whole, a system rational, economical, and deserving of continuance. Its chief defect is that it requires careful and intelligent supervision, and that the results of idleness, incompetence, or ill-will, on the part of those charged with its execution, are more rapidly seen and more unpleasantly marked than was the case under the old system. The system will now be applied to all roads maintained by Government, including those which have been hitherto excluded from its operation.

Rs. 47,320 is asked for the filling in of the Fort canal, an improvement long desired on sanitary grounds and those of convenience.

It is proposed that a considerable sum should be devoted to the construction, improvement, or repair of bridges. The old railway bridge over the Kelani river at Kelani is intended to be converted into two bridges over the Kelani and the Sitáwaka rivers, at a cost of Rs. 66,790, but as it is improbable that both these works can be completed within the year, only Rs. 18,600 on account will be asked for the second of these bridges. The first, there is no doubt, it will be possible to finish. Several bridges are to be renewed with rail pile work, and a sum of Rs. 15,800 applied to the prosecution of the work of replacing the present wooden bridges on the Ratnapura road by iron ones ; the bridge over the Kala-oya, which was partially destroyed by the late flood of that river, has to be restored at a cost of Rs. 10,000 ; and some others in the same district which suffered in the same disaster also call for immediate renovation.

The considerable sum of Rs. 40,000 is proposed to be given for metalling portions of the great North road to Jaffna, now sometimes after wet weather almost wholly impassable. If this policy be steadily pursued, it may be hoped that in three or four years this very important work will be completed. It is also desired to complete the metalling of the road between Badulla and Batticaloa, and you will be asked to vote Rs. 15,310 for that object.

It is proposed to build hospitals at Avisáwélla and Lunugala at a cost of somewhat over Rs. 10,000 each. They are rendered necessary by the great increase of tea cultivation in those districts, and will be much appreciated by the surrounding population.

No provision is made in this year's Estimates for the continuation of the restoration of Kalawewa and the Yodi Ela, it being intended to provide for the completion of these works by means of the temporary loan from Savings Bank Funds to which His Excellency last year adverted, but which had not then received the approval of the Imperial Government. An Ordinance to give effect to this intention will shortly be introduced into the Council.

Of the larger irrigation works, for which special votes are contemplated, it may be as well to say a few words.

The restoration of the Elahara canal is undertaken for the benefit of a district in which no irrigation work at present exists, and where there is what appears to be an absolute certainty that sales of Crown land may, on the completion of the work, be anticipated.

The restoration of Adichchikalu is required to supplement tanks every drop of water in which is at present usefully employed, and to extend cultivation in the Mánmunai division of the Batticaloa District, where every work of this description previously constructed has proved an unquestionable success.

Nuwarawewa, as Members of the Legislative Council are probably aware, is a tank in the immediate vicinity of Anurádhapura. Its bund is unbreached, and all that is required to render it again useful is the repair of its sluices ; nothing else is needed to ensure the sale of land below it. For the purchase of land about Anurádhapura there appears to be great avidity, no less than 1,621 acres having been sold under the other tanks during the last two years, and it will be as eagerly sought for under Nuwarawewa as it has been under Tissawewa and Basawakkulam.

Irat Periyakulam, in the Northern Province, for the repair of which it is proposed to vote Rs. 15,000, is a work strongly urged by the Government Agent, in whose judgment and discretion His Excellency reposes the utmost confidence. Applications for land about it have, His Excellency believes, already been made.

In the Southern Province it is proposed to carry out a large irrigation work on the Walawé-ganga, perhaps the most promising river in Ceylon for irrigation purposes. The population already settled in the district, and the success of the works executed in the valleys of the Nilwalá-ganga and the Kirima canal, amply justify this undertaking.

The general vote for minor works of Irrigation it is proposed to place at the same amount as last year. The disposition of this sum to the different Provinces will be communicated to the Council, but it is impossible at present to furnish details of the exact employment of money which will be spent according to exigencies not yet foreseen. It is impossible to say beforehand what bunds may be breached, or sustain other damage needing immediate repair, in what tanks leaks must at once be stopped and security afforded, or where new sluices may with most advantage be introduced.

The Reports of the Interim Irrigation Board have been laid on the table. Their labours were commenced at too late a period of the year to be attended with that full measure of utility

which may, His Excellency trusts, be hereafter anticipated from them; but so far as they go, they are valuable, and are sufficient to show the expediency of the institution of such a body.

The Governor considers it unnecessary to repeat what he last year wrote on the subject of Irrigation Works. His views as to their necessity and the moral obligations of the Government with regard to their prosecution are well known. Those views are unaltered, nor are they likely to sustain any alteration. It is a source of gratification to him to believe that the number of those who share them with him increases with the diffusion of a wider knowledge of the subject.

The Council will perceive that a sum of Rs. 12,600 is asked for in order to make a survey of a railway line to Chilaw. This scheme has been most ably advocated by Mr. Lushington in his Administration Report and a paper appended to it, and the Governor is certainly inclined to regard the undertaking as one of a promising and probably highly remunerative character. Until the survey has been made it is impossible to say whether the scheme should be more seriously regarded, but as the country is absolutely flat and not swampy no great engineering difficulties need be anticipated. The point at which the line would leave the present Kandy line is so near Colombo that a third rail might be laid down for that short distance, and the whole line constructed on principles more applicable to the flat and easy country it has to run over than those which have regulated the construction of our mountain lines. The papers connected with this idea will be found in the Administration Reports (pp. 104 A—105 A and 110 A—112 A), but for the greater convenience of Members His Excellency has directed them to be laid on the table in a separate form.

His Excellency has seen no reason to change or modify the opinions on the subject of Railway Extension which he expressed in the Speech with which he last year opened the Session of the Legislature. Those views he has done his best to impress upon the Imperial Government, but he cannot boast of the measure of success which has attended his endeavours. His Excellency has now received a reply to his despatch on the subject, and though perhaps its substance and its form have been somewhat modified in consequence of the oral representations which he has been able to make, it cannot be said in any sense to contain a favourable answer.

A copy of that despatch will be at once laid before the Council.

In it the Secretary of State for the Colonies declares that he desires to take the most favourable view of the scheme; that it would be a source of much gratification to him, if he could feel himself justified in sanctioning the immediate construction of the section between Nánu-oya and Haputalé; and that it will be very satisfactory to him if the Governor is able to remove the doubts he entertains. But his hesitation as to the expediency of at present undertaking this work is very clearly conveyed.

Colonel Stanley expresses an opinion that the language of Lord Kimberley in 1882, when he refused to sanction a similar request on the ground that the depression in the Colony, and the great diminution of the Colonial revenue which had been continuous for no less than five years, rendered it "impossible, consistently with ordinary financial prudence, to embark in so heavy an outlay," possesses even greater force at the present time than when written,—that there is no evidence that depression is passing away,—and that the terms on which the arrack farms have for the present year been re-let involve a considerable further loss on that branch of the revenue, while at the same time the charge for loans has been constantly on the increase. He remarks that "even if the line eventually proves remunerative, it cannot be completed or furnish any receipts "for some years to come, whereas the local Treasury will in the meantime, at a period of great "financial trouble, be hampered with an additional load of interest on debt."

Nor is Colonel Stanley of opinion that the ultimate success of the line can be regarded as beyond all doubt. "Its success," he writes, mainly depends upon agricultural produce, the "future of which is necessarily most uncertain; and if the returns now collected promise well, "it must be borne in mind that the estimates framed for the Nánu-oya section, which promised "a fair return on the outlay, have proved to be altogether misleading."

He complains that the confidential nature of the estate returns furnished to him has prevented him submitting them to a proper examination or analysis, but, assuming their correctness, he is unable to satisfy himself that the railroad will satisfactorily compete with either the up or down cart traffic, and considers that the experience of the existing line does not seem to support the conclusion, that the completed line will secure the whole of the traffic both ways. He also objects that while all consideration of the probabilities of increased agricultural production has been omitted from the Governor's calculations of profit on the average estate returns of the last three years, His Excellency has failed to make allowance for possible further deterioration. He further remarks that the period of three years is too short a one on which to base averages, and that as the line "runs through an uninhabited country" no material passenger traffic on it can be anticipated. Finally, he states that, provided the work be undertaken without any Government assistance or guarantee, and precautions are taken to protect the interests of Government from inconvenience, he is ready to waive the objections hitherto urged to the construction of the extension by a private Company, being impelled to do so by his strong desire to interpose no obstacle to the realisation of the wishes of those who desire the completion of the railroad. As an evidence of such a desire the Council will no doubt be grateful for this offer, but as a practical measure it is, His Excellency thinks, unlikely to be attended with material advantage. It may be deemed absolutely certain that no Company could be formed to undertake such a work on such conditions.

Nevertheless, as a mark of the Secretary of State's interest in the undertaking, and of his desire to gratify the wishes of the Colony, the concession is not without value. The difficulty of convincing those who are convinced against their will is proverbial, and it is satisfactory to be assured by Colonel Stanley that we have no such obstacle to contend with in the present instance. Our course in such circumstances should be at once to take the measures most

calculated to convince the Secretary of State that he may safely adopt the course contemplated, and to overcome the doubts he has expressed.

Most of those doubts are, or ought to be, easily removable. It is not difficult to show that the fall in the arrack rents is in great measure due to the alarm of war with Russia prevailing at the time of their sale; that a sum of Rs. 300,000 annually payable for interest is a burden the Colony could certainly well bear; that though three years are no doubt too short a period for the formation of trustworthy averages, yet as they were the most calamitous years that the Colony has for a long time known, they cannot be objected to as affording too favourable an average; that although no doubt the country through which the extension runs is at present uninhabited, there is a large population at either end of the line who will use it as passengers; and that the cart competition with the railroad cannot under any circumstances be long sustained. The really important doubt is that raised with relation to the financial prospects and agricultural development of the Island, and it will probably be well to appoint a Commission to furnish the Secretary of State for the Colonies, at the earliest possible moment, with data which shall leave no room for question as regards the improbability of further decrease in the Colonial revenue and the certainty of an increase of exportable produce.

But even supposing the doubts of Her Majesty's Ministers to be satisfactorily vanquished, the ability of the Colony to bear fresh burdens established, and the probably remunerative character of the extension recognised, the Secretary of State suggests, for the consideration of the Council, whether other Public Works may not demand previous attention, either as being of a more remunerative character or of more immediate necessity. Those on which he specially dwells as possibly, if not probably, possessing preferable claims are Irrigation Works, the completion of the Northern Arm of the Breakwater, and the Defences of Colombo.

No man in Ceylon can be more fully alive than the Governor to the duty of promoting Irrigation. At many periods of our Colonial history there has been far too much delay and apathy in this respect, and the work of restoration and preservation has, with honourable exceptions, been carried on in a spasmodic and irregular manner. The obligations imposed upon the Crown by the receipt of grain tax, and those which result not only from a long neglect of duty but from the fact that actual mischief has been done by ill-considered interference, render the steady pursuit of this object of primary importance, and one of the most serious duties of Government. Were it the case that irrigation works would be arrested or attention diverted from them by the prosecution of Railway Extension, His Excellency would hesitate before assigning to the latter work that place of priority which it appears to him it should possess.

Happily this is not the case. It will not be necessary to diminish the sums now annually voted for irrigation in order to commence the railway, and at present there is no need to go further. It is not so much by the construction of great and costly works as by the steady restoration of the smaller tanks and elas, and the more complete utilisation of the water of different river systems, that native agriculture will be promoted, and want and sickness removed from many a now famine-and fever-stricken village. Of these works not more than a certain number can be executed in any one year; and with our present means of survey and oversight, it may be doubted that a larger sum than the two or three hundred thousand rupees now annually devoted to irrigation purposes could be usefully spent.

The Northern Arm of the Breakwater is a work in itself of obvious utility, and of even greater indirect advantage as increasing the probability of the erection of a graving dock at Colombo. It is one, therefore, which the Governor would gladly see constructed, but which he cannot regard as being of primary and paramount necessity. Did he indeed consider that the port could really be styled an "unprotected" one; that the construction of the Northern Arm were "necessary to enable it to compete with rival ports;" that it afforded only "partial shelter and restricted facilities for loading and unloading;" that it was not already a "secure and commodious harbour;" that the tonnage frequenting it would be materially increased by the existence of a Northern Arm, or agricultural production appreciably stimulated thereby,—probably no work would be regarded by him as of greater importance. But this is not the case, and the Secretary of State for the Colonies has unquestionably been induced by the information in his possession to form an exaggerated idea of the inconvenience to trade, and risk to shipping, resulting from the absence of a Northern Arm to the Breakwater. His Excellency has the authority of the Master Attendant and the Principal Collector of Customs for saying that since the practical completion of the harbour in 1882, there has never been a day on which loading and unloading has been impracticable, or communication with vessels in port suspended. It is not the case that the harbour is "insecure," or that it cannot compete with rival ports. There is no rival port existing between Bombay and the Hooghly,—indeed there is no port at all between these points which deserves the name. No rational grounds can be given for supposing that vessels are deterred from resorting to Colombo by any apprehensions founded on the non-existence of the Northern Arm, or that a single ship the more would visit the harbour were it constructed, though no doubt it would augment the comfort of those vessels lying in it. The Governor advisedly makes use of the word comfort, and not security, seeing that their security is already perfect. The Governor admits that the Northern Arm may be a remunerative work, especially if coupled with a graving dock, but when it is sought to advocate its claims as being a stimulus to production, he must demur to any comparison being instituted on that ground between it and the railway. If we succeed in raising produce to export, the first object is to provide efficient means of transport for that produce to the coast; the next, to supply it with secure means of shipment. The latter already exist, the former does not; and between the improvement of the one and the gift of the other there can be no comparison. It is idle to suppose that any one contemplating the cultivation of land in Uva will be deterred from doing so by the want of a Northern Arm to the Breakwater; that he may be so by want of railroad communication,

is very probable. That, on the other hand, the construction of a Northern Arm will cause an acre of land in the district in question to be cultivated, is more than doubtful, while that the extension of the railroad will rapidly bring large additional areas under cultivation is certain. When we have given to the existing production means of transport, and rendered it easy to extend the area of production, it will be time to consider whether we can give yet greater convenience and facility for shipment than is now given. It is manifest that Colonel Stanley has had laid before him altogether erroneous and exaggerated views as to the present incompleteness of the harbour, and risk consequently run by vessels frequenting it, and, as His Excellency believes, equally unfounded views as to the opinion of the community at large. Of those who most desire to see the Northern Arm finished, there are but few who would not say that the work was one which may well wait, and ought to wait, the completion of the railroad to Haputalé.

The Governor does not wish to keep out of sight the argument in favour of the immediate construction of the Northern Arm, drawn from the fact that without it the construction of a graving dock might be more improbable. But the possibility of a graving dock does not depend on the Northern Arm alone. Its construction could hardly be undertaken, certainly not with any view to use by ships of Her Majesty's Navy, without the existence of more complete works of defence than are now possessed by Colombo, which is indeed practically defenceless. That question is now under the consideration of a Select Committee, and should that Committee be of opinion that the contemplated works should be undertaken, and the Council concur in that view, His Excellency admits that the argument to be adduced in favour of the construction of the Northern Arm, from the greater facility which it will afford for the construction of a graving dock, will be materially strengthened; though, judging from what has happened elsewhere, it may be questioned whether the fortifications now contemplated are such as would meet the circumstances of the case. But it is right to add, even if the fortifications were erected, the Northern Arm completed, and the graving dock in use, His Excellency cannot but consider it in the highest degree improbable that the Naval authorities would consent to the transfer of the Naval Head Quarters of this Station from Trincomalee to Colombo. Those who counselled the abandonment of Trincomalee, with its unrivalled harbour, its strongly defensible position, on the defences of which large sums are now being spent, for a position at Colombo, for which the most lavish expenditure and all the resources of Art can never do what Nature has already done for Trincomalee, would, in His Excellency's opinion, find it difficult to maintain their advice by argument. For it must be remembered that even if the fortifications just erected at Trincomalee, as well as those of earlier date, were all carefully destroyed before the transfer, nothing we could do would diminish the capacity and safety of the harbour or impair the natural strength of its position, and, that, if unoccupied by us, it would, in the event of war, be probably seized by an hostile power, and afford a secure retreat to fleets which would prove a scourge to British interests and influences in the Indian Seas.

The subject of Fortifications has been so recently brought under the notice of the Council by His Excellency as to render it unnecessary for him now to refer to it at any length. It cannot be questioned either that Colombo is defenceless, or that the efficient protection of the stores of coal here accumulated, and of the shipping assembled in the harbour, is an object of grave moment. But, as he has before observed, the expenditure incurred in the attainment of that object must be regarded in the light of an advantageous insurance, which it may be, and not as a distinctly remunerative work, which it certainly is not. Its claims must be advocated on very different grounds from those of either the Railway or the Breakwater, and they may be left out of account when comparing the relative advantages of those two works, and considering which should first be undertaken.

As between the relative advantage to the Colony of the extension of the railway and the construction of the Northern Arm, His Excellency feels no hesitation whatever, and he believes that none is felt either by the Council or by the public. But it is of much importance that the views and wishes of the community on this point should be distinctly and unmistakably expressed, for His Excellency is sure that Her Majesty's Ministers will be materially influenced by it. Those who have left to the decision of the Island the question of the fortification of Colombo cannot but regard with the gravest weight its deliberate choice between the two enterprises which attract its attention.

Meanwhile it is His Excellency's intention to introduce the Bill authorising the Loan for Railway purposes. Should the assent of the Imperial Government be finally obtained, we shall then be at once enabled to commence operations, without summoning a Special Session of the Legislative Council, while, in any case, the adoption of the Bill by you will be the most emphatic and formal evidence of your wish which could be submitted to the Imperial Government. The Bill will make provision for the extension of the railway system Southwards to Bentota as well as Eastwards to Haputalé, His Excellency being as firmly as ever convinced that these two works should be carried on *pari passu.*

His Excellency much regrets that circumstances beyond his control have again delayed the presentation of the Estimates to so late a period, nor does he think that the advantage gained by being able more correctly to estimate the revenue of the current year at all counterbalances the inconveniences which necessarily attend a want of sufficient time for the deliberate and leisurely investigation of matters of such grave importance as the expenditure of the next twelve months. But although the time at our disposal before the 31st December may not equal our wishes, His Excellency is well aware that the Members of this Council will perform with scrupulous care and attention their task of scrutinising the provisions of the Estimates about to be laid before them, which he delivers to their criticism and commends to their investigation, confident in that just, fair, and liberal spirit, and that ready intelligence, in which he has never yet found them wanting.

4. PAPERS.—The Lieutenant-Governor laid on the table the following papers :—

Estimates of the Revenue and Expenditure for the year 1886.

Sessional Paper X. of 1885.—Despatches relating to the proposed Northern Arm of the Breakwater.

Sessional Paper XI. of 1885.—Despatches relating to the Haputalé-Nánu-oya section of Railway.

Sessional Paper XIII. of 1885.—Despatches relating to the Military Contribution of the Colony.

5. FORTIFICATIONS OF COLOMBO.—The Lieutenant-Governor brought up the report of the Select Committee of the Legislative Council appointed to consider and report on the proposed Fortifications of Colombo.

6. ASSENT TO BILLS.—The Lieutenant-Governor announced to the Council that His Excellency the Governor had given his assent to the following Ordinances :—

Ordinance No. 20 of 1885, intituled "An Ordinance to consolidate and amend the Law providing for the granting of Pensions to Widows and Children of deceased Public Officers of this Colony."

Ordinance No. 21 of 1885, intituled "An Ordinance relating to Postal Orders."

7. SHIPS' BILLS OF HEALTH.—The Hon. R. A. Bosanquet, pursuant to notice, moved for a return of the amounts received during the last three years by the Civil Medical Department in payment of Ships' Bills of Health, showing how these sums were brought to account in the Revenue Returns, or how they were disposed of.

Seconded by the Hon. P. Ráma-Náthan.
The Colonial Secretary replied. Motion agreed to.

8. BACKWATER AT KALUTARA.—The Hon. A. L. De Alwis, pursuant to notice, moved that all correspondence between Government, the Public Works Department, and the Local Board of Kalutara, with reference to the lagoon or backwater at Kalutara (caused by the formation of a sand-bank across the Kalu-gaṇga near its southern extremity), together with any medical reports on the subject which may have been made at different times by the several medical men who have been stationed at Kalutara, may be laid on the table.

Seconded by the Hon. P. Ráma-Náthan.
The Lieutenant-Governor replied. Motion agreed to.

9. BILL TO PROVIDE FOR THE REGISTRATION OF MOHAMMEDAN MARRIAGES.—At the request of the Lieutenant-Governor, the Hon. F. M. Mackwood postponed for the next meeting of Council the motion on this subject standing in his name in the Order of the Day.

10. SUPPLEMENTARY SUPPLY BILL, 1885.—The report of the Law Officers of the Crown, dated the 11th December, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of the Bill, having been read, the Bill was, on the motion of the Auditor-General, seconded by the Lieutenant-Governor, read a third time and passed.

On the motion of the Lieutenant-Governor, the Council at its rising adjourned till Wednesday, the 16th December, at 2.30 o'clock P.M.

Wednesday, 16th December, 1885.

1. The Council met pursuant to adjournment. His Excellency the Governor took the chair.

2. Proceedings of the last meeting read and confirmed.

3. PAPERS.—The Lieutenant-Governor laid on the table the following papers :—

Sessional Paper II. of 1885.—Cash Balances of the Colony.

Do. XIV. „ Backwater at Kalutara : Return to an Order of Council dated 11th December, 1885.

Do. XV. „ Fees for Ships' Bills of Health : Return to an Order of Council dated 11th December, 1885.

4. FORTIFICATIONS OF COLOMBO.—The Hon. J. Van Langenberg gave notice that at the next meeting of Council he would move that, in the opinion of this Council, there is no such pressing necessity for undertaking the erection of the proposed Fortifications of Colombo as would justify the Colonial Government in postponing, on that account, important Civil Works which will tax to the fullest extent the resources of the Colony for the next few years.

5. BILL TO PROVIDE FOR THE REGISTRATION OF MOHAMMEDAN MARRIAGES.—The Hon. F. M. Mackwood, pursuant to notice, moved that, in the opinion of this Council, it was desirable that the opinions of the several Provincial Government Agents be obtained on the Bill intituled "An Ordinance to amend the Code of Mohammedan Laws, intituled 'Special Laws concerning Moors or Mohammedans,' and to provide for the registration of Mohammedan Marriages contracted in this Colony.' "

Seconded by the Hon. J. Van Langenberg.
The Lieutenant-Governor replied. Motion agreed to.

6. ROADS IN THE WESTERN AND CENTRAL PROVINCES.—The Hon. R. B. Downall, pursuant to notice, moved that the Government Agents of the Western and Central Provinces be called upon to report on the state of the cart roads in their respective Provinces, with a view to a comparison with their present condition and that existing previous to the new system of upkeep now in practice; and that they be also requested to report if the rates for cart transport have increased since the introduction of the present system; and that such report be published and laid on the table.

Seconded by the Hon. R. A. Bosanquet.
The Lieutenant-Governor replied.
The motion having been amended so as to run thus :—

"That the Government be called on to request the Government Agents of the Western and Central Provinces to report on the state of the cart roads in their respective Provinces, with a view to a comparison with their present condition and that existing previous to the new system of upkeep now in practice; and that they be also requested to report if the rates for cart transport have increased since the introduction of the present system; and that such report be published and laid on the table,"—

was agreed to.

7. SUPPLY BILL, 1886.—On the motion of the Lieutenant-Governor, seconded by the Auditor-General, the Bill intituled "An Ordinance for making provision for the Contingent Charges for the year 1886" was read a first time, and the second reading fixed for the next meeting of Council.

8. FINAL SUPPLEMENTARY SUPPLY BILL, 1884.—On the motion of the Auditor-General, seconded by the Attorney-General, the Bill intituled "An Ordinance for making final provision for the Supplementary Contingent Charges for the year 1884" was read a first time, and the second reading fixed for the next meeting of Council.

On the motion of the Lieutenant-Governor, the Council at its rising adjourned till Friday, the 18th instant, at 2.30 o'clock P.M.

Friday, 18th December, 1885.

1. The Council met pursuant to adjournment. His Excellency the Governor took the chair.
2. Proceedings of the last meeting read and confirmed.
3. ASSENT TO BILL.—The Lieutenant-Governor announced the Governor's assent to the following Ordinance :—

   Ordinance No. 22 of 1885, intituled "An Ordinance for making provision for the Supplementary Contingent Services for the year 1885."

4. FORTIFICATIONS OF COLOMBO.—The Hon. J. Van Langenberg, pursuant to notice, moved that, in the opinion of this Council, there was no such pressing necessity for undertaking the erection of the proposed Fortifications of Colombo as would justify the Colonial Government in postponing, on that account, important Civil Works which will tax to the fullest extent the resources of the Colony for the next few years.

Seconded by the Hon. F. M. Mackwood.
Question put that the motion be agreed to. Motion agreed to.

5. SUPPLY BILL, 1886.—On the motion of the Lieutenant-Governor, seconded by the Auditor-General, the Bill was read a second time. The Council having gone into Committee thereon, the Bill was referred to a Sub-Committee composed of the Lieutenant-Governor, the Auditor-General, the Treasurer, the Government Agent, Western Province, the Hon. J. Van Langenberg, the Hon. P. Ráma-Náthan, the Hon. R. A. Bosanquet, and the Hon. R. B. Downall.

6. FINAL SUPPLEMENTARY SUPPLY BILL, 1884.—On the motion of the Auditor-General, seconded by the Lieutenant-Governor, the Bill was read a second time, and the Council went into Committee thereon. The Auditor-General having reported the Bill unamended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

7. IRRIGATION LOAN BILL.—On the motion of the Lieutenant-Governor, seconded by the Auditor-General, the Bill intituled "An Ordinance to empower the Ceylon Government to borrow a sum of Rs. 300,000 from the Ceylon Savings Bank, for the construction, repair, and improvement of Irrigation Works in this Island," was read a first time, and the second reading fixed for the next meeting of Council.

8. POSTAL RATES BETWEEN CEYLON AND INDIA.—The Lieutenant-Governor moved, seconded by the Auditor-General, that a Select Committee of this Council, composed of the Auditor-General, the Treasurer, the Hon. F. M. Mackwood, and the Hon. R. A. Bosanquet be appointed to deal with the question of Postal Rates between Ceylon and India, and also of the carriage of Mails between Ceylon and India.

Motion carried.

On the motion of the Lieutenant-Governor, the Council at its rising adjourned till Tuesday, the 22nd December, at 2.30 o'clock P.M.

Tuesday, 22nd December, 1885.

1. The Council met pursuant to adjournment. His Excellency the Governor took the chair.
2. Proceedings of the last meeting read and confirmed.
3. MEMBER SWORN.—The oath of allegiance was taken by the Hon. G. B. Leechman.
4. FINAL SUPPLEMENTARY SUPPLY BILL, 1884.—The report of the Law Officers of the Crown, dated the 21st instant, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of the Bill, having been read, the Bill was, on the motion of the Auditor-General, seconded by the Lieutenant-Governor, read a third time and passed.
5. IRRIGATION LOAN BILL.—On the motion of the Lieutenant-Governor, seconded by the Auditor-General, the Bill was read a second time, and the Council went into Committee thereon. The Lieutenant-Governor having reported the Bill unamended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.
6. BILL RELATING TO MUNICIPAL COUNCILS.—On the motion of the Attorney-General, seconded by the Treasurer, the Bill intituled "An Ordinance relating to Municipal Councils" was read a first time, and the second reading was deferred *sine die*.
7. SUPPLY BILL, 1886.—The Lieutenant-Governor brought up the report of the Sub-Committee on the Bill, which was read by the Clerk of the Council, and the Bill was considered in Committee. The Lieutenant-Governor having reported the Bill with amendments, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.
8. BILL RELATING TO CEYLON RAILWAYS.—The Attorney-General brought up the report of the Sub-Committee on Schedule B of the Bill, which was read by the Clerk of the Council, and the Council resumed consideration in Committee of the Bill. The Attorney-General having reported the Bill with amendments, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.
9. YOUTHFUL OFFENDERS BILL.—The Attorney-General brought up the report of the Sub-Committee on the Bill, which was read by the Clerk of the Council, and the consideration of the Bill in Committee was deferred till the next meeting of Council.

On the motion of the Lieutenant-Governor, the Council at its rising adjourned till Wednesday, the 30th instant, at 2.30 o'clock P.M.

Wednesday, 30th December, 1885.

1. The Council met pursuant to adjournment. His Excellency the Governor took the chair.
2. Proceedings of the last meeting read and confirmed.
3. HAPUTALÉ EXTENSION.—The Hon. G. B. Leechman gave notice that at the next meeting of Council he would move that this Council, having considered the Despatches of the Secretary of State on Railway Extension to Uva, and on the Colombo Harbour, recently laid before Council, are of opinion that the claims of the Uva Railway Extension are paramount, and that, if these two undertakings cannot be actively proceeded with simultaneously, and at once, the extension of the Railway to Haputalé ought to take precedence of the addition of a Northern Arm to the existing Breakwater at Colombo.
4. ASSENT TO BILL.—The Lieutenant-Governor announced to the Council that His Excellency the Governor had given his assent to the Ordinance No. 23 of 1885, intituled "An Ordinance for making final provision for the Supplementary Contingent Charges for the year 1884."
5. TOLLS IN THE WESTERN PROVINCE.—The Government Agent, Western Province, pursuant to notice, moved that, under Ordinance No. 12 of 1885, section 1, the hereinafter described tolls be established :—

   (1) Póré to Bopé, between the 15th and 16th mile-posts, at the junction with the new minor cross-road from Panágoḍa to Héṇpiṭa, the toll to be levied on and to cover both roads.

   (2) Branch ferry toll on Gurugoḍa-oya at Anguruwęlla near Ruwaṇwęlla, on the road from Ambépussa (Warakápola) to Ruwaṇwęlla in the Kęgalla District. This toll to be a branch of the ferry tolls at Ruwaṇwęlla, Karawanęlla, and Riṭigaha-oya.

   (3) Ferry toll at Algoḍa-oya on the Panáwal minor road from Dehiówiṭa to the Ratnapura road.

   Seconded by the Treasurer.

   At the instance of the Hon. P. Ráma-Náthan, the subject was deferred to the next meeting of Council.

6. IRRIGATION LOAN BILL.—The report of the Law Officers of the Crown, dated the 28th December, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of the Bill, having been read, the Bill was, on the motion of the Lieutenant-Governor, seconded by the Attorney-General, read a third time and passed.

7. SUPPLY BILL, 1886.—The report of the Law Officers of the Crown, dated the 28th December, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of the Bill, having been read, the Bill was, on the motion of the Lieutenant-Governor, seconded by the Attorney-General, read a third time and passed.

8. BILL RELATING TO CEYLON RAILWAYS.—The report of the Law Officers of the Crown, dated the 28th December, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of the Bill, having been read, the Bill was, on the motion of the Attorney-General, seconded by the Treasurer, read a third time and passed.

9. YOUTHFUL OFFENDERS BILL.—The Council in Committee resumed consideration of the Bill. The Attorney-General having reported the Bill as amended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

10. HAPUTALÉ AND KALUTARA-BENTOTA RAILWAY LOAN BILL.—On the motion of the Lieutenant-Governor, seconded by the Attorney-General, the Bill intituled "An Ordinance to raise a loan of £550,000 sterling for the construction of Lines of Railway from Nánu-oya to Haputalé, and from Kalutara to Bentota" was read a first time, and the second reading fixed for the next meeting of Council.

11. BILL RELATING TO VESSELS CARRYING PASSENGERS COASTWISE.—On the motion of the Attorney-General, seconded by the Treasurer, the Bill intituled "An Ordinance relating to Vessels carrying Passengers from any Port or Place in Ceylon to any other Port or Place in Ceylon" was read a first time, and the second reading fixed for the next meeting of Council.

On the motion of the Lieutenant-Governor, the Council at its rising adjourned till Wednesday, the 13th January, 1886, at 2.30 o'clock P.M.

Wednesday, 13th January, 1886.

1. The Council met pursuant to adjournment. His Excellency the Governor took the chair.

2. Proceedings of the last meeting read and confirmed.

3. MONEY INVESTED AS SECURITY FOR THE GOVERNMENT NOTE-ISSUE.—The Hon. F. M. Mackwood gave notice that at the next meeting of Council he would ask what revenue is being derived from the money invested as security for the Government note-issue, and to ask that any Despatches on the subject of the note-issue between the Secretary of State and the Government be laid upon the table.

4. ASSENT TO BILLS.—The Lieutenant-Governor announced to the Council that His Excellency the Governor had given his assent to the following Ordinances :—

Ordinance No. 24 of 1885, intituled "An Ordinance to empower the Ceylon Government to borrow a sum of Rs. 300,000 from the Ceylon Savings Bank, for the construction, repair, and improvement of Irrigation Works in this Island."

Ordinance No. 25 of 1885, intituled "An Ordinance for making provision for the Contingent Services for the year 1886."

Ordinance No. 26 of 1885, intituled "An Ordinance relating to the Ceylon Railways."

5. TOLLS IN THE WESTERN PROVINCE.—The Council resumed debate on the following motion :—

That, under Ordinance No. 12 of 1885, section 1, the hereinafter described tolls be established—

(1) Póré to Bopé, between the 15th and 16th mile-posts at the junction with the new minor cross-road from Panágoḍa to Hénpiṭa, the toll to be levied on and to cover both roads.

(2) Branch ferry toll on Gurugoḍa-oya at Anguruwęlla near Ruwaṇwęlla on the road from Ambépussa (Warakápola) to Ruwaṇwęlla in the Kęgalla District. This toll to be a branch of the ferry tolls at Ruwaṇwęlla, Karawanęlla, and Riṭigaha-oya.

(3) Ferry toll at Algoḍa-oya on the Panawal minor road from Dehiówiṭa to the Ratnapura road.

Carried 1, 2, and 3, and the motion was agreed to.

6. RAILWAY EXTENSION TO UVA.—The Hon. G. B. Leechman, by leave of Council, postponed to a later date the following motion appearing in his name in the Order of the Day :—

To move, that this Council, having considered the Despatches of the Secretary of State on Railway Extension to Uva, and on the Colombo Harbour, recently laid

before Council, are of opinion that the claims of the Uva Railway Extension are paramount, and that if these two undertakings cannot be actively proceeded with simultaneously, and at once, the extension of the railway to Haputalé ought to take precedence of the addition of a Northern Arm to the existing Breakwater at Colombo.

7. YOUTHFUL OFFENDERS BILL.—The report of the Law Officers of the Crown, dated the 11th instant, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in term of the Bill having been read, the Bill was, on the motion of the Attorney-General, seconded by the Lieutenant-Governor, read a third time and passed.

8. NÁNU-OYA-HAPUTALÉ AND KALUTARA-BENTOṬA RAILWAY LOAN BILL.—The Lieutenant-Governor moved, seconded by the Attorney-General, that the Bill be read a second time.

AFTER DEBATE THE COUNCIL DIVIDED.

Ayes.	*Noes.*
The Hon. G. B. Leechman.	The Hon. A. L. De Alwis.
The Hon. F. M. Mackwood.	The Hon. P. Ráma-Náthan.
The Hon. J. Van Langenberg.	
The Surveyor-General.	
The Government Agent Western Province.	
The Treasurer.	
The Auditor-General.	
The Attorney-General.	
The Major-General.	
The Lieutenant-Governor.	

Ayes, 10; Noes, 2; Majority, 8.—Motion carried.

Bill read a second time and Council went into Committee thereon. The Lieutenant-Governor having reported the Bill as amended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

9. COASTWISE PASSENGERS BILL.—On the motion of the Attorney-General, seconded by the Lieutenant-Governor, the Bill was read a second time, and the Council went into Committee thereon. The Attorney-General having reported the Bill as amended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

10. HOLIDAYS BILL.—On the motion of the Attorney-General, seconded by the Lieutenant-Governor, the Bill intituled "An Ordinance to provide for Public Holidays and Bank Holidays" was read a first time, and the second reading fixed for the next meeting of Council.

11. BILL TO AMEND THE CRIMINAL PROCEDURE CODE.—On the motion of the Attorney-General, seconded by the Lieutenant-Governor, the Bill intituled "An Ordinance to amend the Criminal Procedure Code, 1883," was read a first time, and the second reading fixed for the next meeting of Council.

12. LOAN BOARD UNCLAIMED BALANCES BILL.—On the motion of the Lieutenant-Governor, seconded by the Auditor-General, the Bill intituled "An Ordinance for the further appropriation of certain Unclaimed Balances from the Loan Board" was read a first time, and the second reading fixed for the next meeting of Council.

13. COLOMBO WATER SUPPLY BILL.—On the motion of the Lieutenant-Governor, seconded by the Attorney-General, the Bill intituled "An Ordinance relating to the supply of water to the Colombo Municipality" was read a first time. On the motion of the Lieutenant-Governor, seconded by the Hon. J. Van Langenberg, the Standing Orders of the Council were suspended, and the Bill was read a second time. The Council having gone into Committee thereon, the Bill was ordered to be referred to a Sub-Committee, consisting of the Lieutenant-Governor, the Attorney-General, the Auditor-General, the Government Agent Western Province, the Hon. J. Van Langenberg, the Hon. P. Ráma-Náthan, the Hon. A. L. De Alwis, and the Hon. G. W. Leechman.

On the motion of the Lieutenant-Governor, the Council at its rising adjourned till Friday, the 15th instant, at 2.30 o'clock P.M.

Friday, 15th January, 1886.

1. The Council met pursuant to adjournment. His Excellency the Governor took the chair.
2. Proceedings of the last meeting read and confirmed.
3. COLOMBO WATER SUPPLY.—The Hon. G. B. Leechman gave notice that at the next meeting of Council he would ask that copies of the despatch of the Secretary of State, approving, subject to certain modifications, of the proportion as payments proposed to be made by the Government and the Colombo Municipality for the annual cost of the Water Supply for Colombo, may be laid on the table.

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The Lieutenant-Governor replied, on behalf of the Government, that there was no objection to the laying on the table of the despatch in question.

4. GOVERNMENT NOTE ISSUE.—The Hon. F. M. Mackwood, pursuant to notice, asked what revenue is being derived from the money invested as security for the Government note issue, and that any despatches on the subject of the note issue between the Secretary of State and the Government be laid upon the table.

Seconded by the Hon. G. B. Leechman.

The Lieutenant-Governor replied.

5. NÁNU-OYA-HAPUTALÉ AND KALUTARA-BENTOTA RAILWAY LOAN BILL.—The report of the Law Officers of the Crown, dated the 15th instant, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of the Bill, having been read, the Bill was, on the motion of the Lieutenant-Governor, seconded by the Attorney-General, read a third time and passed.

The Hon. P. Ráma-Náthan handed in a Protest, signed by himself and the Hon. A. L. De Alwis, in the following terms, which was read by the Clerk of the Council :—

WE feel it our duty to enter a protest against the passing at present of the Bill authorizing a loan for the railway extension to Háputalé. In the absence of the sanction of the Secretary of State for this work, and for other reasons, we consider the Bill premature. We have argued the question fully at the second reading of the Bill, dwelling at some length on the agricultural, commercial, and financial condition of the Island. We venture to think that the facts and figures quoted by us have not been controverted by any of the speakers who took part in the debate, and that their observations on the general utility of railways and the protection of native interests are foreign to the purely financial basis on which the discussion was started. We would also humbly note that the severe criticisms which His Excellency the Governor has passed on us are not likely to conserve the independence of Unofficial Members of this Council. The Government seems to be unaware of the opinion gaining ground since 1879, that coffee enterprise in Uva is doomed to suffer much the same fate as that experienced already by other districts in the mountain zone. We think it only right to say that, before the Bill is passed, not merely should existing estimates be revised on more recent and reliable data, but a Commission should be appointed, consisting of European and native gentlemen, to inquire into and report upon the condition and prospects of coffee enterprise in the Uva Province. The delay which will occur will not materially jeopardize the interests of the country, while the results of the inquiry, whichever way it tends, will be of great benefit in the solution of this important and difficulty question.

6. COASTWISE PASSENGERS BILL.—On the motion of the Attorney-General, seconded by the Lieutenant-Governor, the Bill was recommitted. The Attorney-General having reported the Bill as amended, the report was adopted. The report of the Law Officers of the Crown, dated the 15th instant, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of the Bill, having been read, the Bill was, on the motion of the Attorney-General, seconded by the Lieutenant-Governor, read a third time and passed.

7. HOLIDAYS BILL.—On the motion of the Attorney-General, seconded by the Treasurer, the Bill was read a second time, and the Council went into Committee thereon. The Attorney-General having reported the Bill as amended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

8. CRIMINAL PROCEDURE AMENDMENT BILL.—On the motion of the Attorney-General, seconded by the Lieutenant-Governor, the Bill was read a second time, and the Council went into Committee thereon. The Attorney-General having reported the Bill as amended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

9. LOAN BOARD BALANCE BILL.—On the motion of the Lieutenant-Governor, seconded by the Auditor-General, the Bill was read a second time, and the Council went into Committee thereon. The Lieutenant-Governor having reported the Bill unamended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

On the motion of the Lieutenant-Governor, the Council at its rising adjourned till Tuesday, the 19th instant, at 2.30 o'clock P.M.

Tuesday, 19th January, 1886.

1. The Council met pursuant to adjournment. His Excellency the Governor took the chair.
2. Proceedings of the last meeting read and confirmed.
3. ASSENT TO BILLS.—The Lieutenant-Governor announced to the Council that His Excellency the Governor had given his assent to the following Ordinances :—

   Ordinance No. 1 of 1886, intituled "An Ordinance relating to Youthful Offenders."

   Ordinance No. 3 of 1886, intituled "An Ordinance relating to Vessels carrying Passengers from any Port or Place in Ceylon to any other Port or Place in Ceylon."

4. COLOMBO WATERWORKS BILL.—The Hon. R. A. Bosanquet presented a petition from certain ratepayers of the Fort Ward praying that the consideration of the Colombo Waterworks Bill may be postponed, and moved that it be read by the Clerk of the Council.

Petition read and ordered to lie on the table.

5. COLOMBO WATERWORKS BILL.—The Hon. P. Râma-Nâthan presented a petition signed by the Unofficial Members of the Colombo Municipal Council, praying that the Colombo Waterworks Bill may be referred to the Municipal Council for their opinion, and moved that it be read by the Clerk of the Council.

Petition read and ordered to lie on the table.

6. PUBLIC AND BANK HOLIDAYS BILL.—The report of the Law Officers of the Crown, dated the 19th instant, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of the Bill, having been read, the Bill was, on the motion of the Attorney-General, seconded by the Treasurer, read a third time and passed.

7. CRIMINAL PROCEDURE BILL.—The report of the Law Officers of he Crown, dated the 19th instant, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of the Bill, having been read, the Bill was, on the motion of the Attorney-General, seconded by the Lieutenant-Governor, read a third time and passed.

8. LOCAL BOARD APPROPRIATION BILL.—The report of the Law Officers of the Crown, dated the 19th instant, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of the Bill, having been read, the Bill was, on the motion of the Lieutenant-Governor, seconded by the Attorney-General, read a third time and passed.

9. COLOMBO WATER SUPPLY BILL.—The Attorney-General brought up the report of the Sub-Committee on the Bill, which was read by the Clerk of the Council, and the Council went into Committee thereon. In Committee, the Hon. R. A. Bosanquet, seconded by the Hon. P. Râma-Nâthan, moved that the consideration of the Bill in Committee be postponed.

10. MOHAMMEDAN MARRIAGES REGISTRATION BILL.—The Attorney-General brought up the report of the Sub-Committee on the Bill, which was read by the Clerk of the Council, and the Council went into Committee thereon. The Attorney-General reported progress, and the further consideration of the Bill in Committee was postponed till next meeting of Council.

11. CATTLE TRESPASS AMENDMENT BILL.—On the motion of the Attorney-General, seconded by the Treasurer, the Bill intituled "An Ordinance to amend the Cattle Trespass Ordinance, 1876," was read a first time, and the second reading of the Bill was postponed *sine die*.

On the motion of the Lieutenant-Governor, the Council at its rising adjourned till Wednesday, the 10th February, 1886, at 2.30 o'clock P.M.

Wednesday, 10th February, 1886.

1. The Council met pursuant to adjournment. His Excellency the Governor took the chair.

2. Proceedings of the last meeting read and confirmed.

3. ASSENT TO BILLS.—The Lieutenant-Governor announced to the Council that His Excellency the Governor had given his assent to the following Ordinances :—

   Ordinance No. 2 of 1886, intituled "An Ordinance to raise a loan of £550,000 sterling for the construction of lines of Railway from Nânu-oya to Haputalé, and from Kalutara to Bentota."

   Ordinance No. 4 of 1886, intituled "An Ordinance to provide for Public and Bank Holidays."

   Ordinance No. 5 of 1886, intituled "An Ordinance to amend the Criminal Procedure Code, 1883."

   Ordinance No. 6 of 1886, intituled "An Ordinance to provide for the further appropriation of certain Unclaimed Balances from the Loan Board."

4. MOTION.—The Hon. F. M. Mackwood gave notice of the following motion :—To ask whether it is true that the Government have appointed the Hon. the Government Agent for the Western Province as Deputy Commissioner for this Island at the Colonial and Indian Exhibition in London, without consulting the General (Local) Committee; and if so, to move that, in the opinion of this Council, such appointment is a distinct breach of courtesy to the said Committee.

The Lieutenant-Governor accepted the question, waiving notice thereof, and replied.

5. BUDDHIST RITE.—The Hon. R. A. Bosanquet, pursuant to notice, asked if the statement which appeared in the local papers is accurate, that at the Proclamation of the Province of Uva a Buddhist rite, in which Buddhist priests took part, was enacted.

His Excellency the Governor replied.

6. COLOMBO WATERWORKS.—The Hon. R. A. Bosanquet, pursuant to notice, moved to ask that Mr. Dickson's Memorandum on the Colombo Waterworks, referred to in the Secretary of State's despatch dated 6th March, 1885, be laid on the table; and that His Excellency's despatch No. 19 of the 17th January, 1885, to the Secretary of State, be likewise laid on the table.

The Hon. P. Ráma-Náthan seconded.

Motion agreed to, and the papers asked for were laid on the table.

7. COLOMBO WATER SUPPLY BILL.—The Council in Committee resumed consideration of the Bill intituled

"An Ordinance relating to the Supply of Water to the Colombo Municipality."

Clause 12. The Hon. J. Van Langenberg moved that the maximum of the Police, Gas, and Water consolidated rate be fixed at 11 per cent.

Clause as amended carried.

The Lieutenant-Governor having reported the Bill as amended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

8. MOHAMMEDAN MARRIAGE REGISTRATION BILL.—The Council in Committee resumed consideration of the Bill intituled

"An Ordinance to amend the Code of Mohammedan Laws, intituled 'Special Laws concerning Moors or Mohammedans, and to provide for the registration of Mohammedan Marriages contracted in this Colony.'"

In Committee.—Clause 20. On the motion of the Hon. P. Ráma-Náthan, that the first three lines of the clause be not read, question put "that the first three lines do stand."

THE COUNCIL DIVIDED.

Ayes.	*Noes.*
The Hon. R. A. Bosanquet.	The Hon. F. M. Mackwood.
The Hon. A. L. De Alwis.	The Hon. P. Ráma-Náthan.
The Hon. J. Van Langenberg.	
The Surveyor-General.	
The Government Agent Central Province.	
The Government Agent Western Province.	
The Treasurer.	
The Auditor-General.	
The Attorney-General.	
The Lieutenant-Governor.	

Ayes, 10; Noes, 2; Majority, 8.—Motion carried.

Read schedules A, B, C.—Carried, except schedule A, which was struck out.

The Attorney-General having reported the Bill as amended, the report was adopted, and the Bill ordered to be referred to the Law Officers of the Crown, the third reading being fixed for the next meeting of Council.

9. POSTAL RATES.—The Auditor-General brought up the report of the Select Committee of the Council appointed to consider and report upon the question of Postal Rates between Ceylon and India, and also of the carriage of Mails between Ceylon and India, and moved that it be read.

Read accordingly.

10. PAPER.—The Lieutenant-Governor laid on the table Sessional Paper XXIV. of 1885, being a Return of Irrigation Works executed in the several Provinces of the Island from date of the last Return to the 30th June, 1885.

The Lieutenant-Governor made a statement as to the apportionment of the Irrigation Vote of Rs. 200,000 to the different Government Agents.

On the motion of the Lieutenant-Governor, the Council at its rising adjourned till to-morrow, the 11th February, 1886, at 11 o'clock A.M.

Thursday, 11th February, 1886.

1. The Council met pursuant to adjournment. His Excellency the Governor took the chair:
2. Proceedings of the last meeting read and confirmed.
3. COLOMBO WATER SUPPLY BILL.—On the motion of the Lieutenant-Governor, seconded by the Attorney-General, the Bill was recommitted with the view of effecting certain alterations in clause 12. The Lieutenant-Governor having reported the Bill as amended, and the report of the Law Officers of the Crown, dated the 11th instant, stating that there was in their opinion no legal impediment to the execution by the Colonial

Tribunals of a law in terms of the Bill, having been read, the Bill was, on the motion of the Lieutenant-Governor, seconded by the Attorney-General, read a third time and passed.

4. BILL RELATING TO THE REGISTRATION OF MOHAMMEDAN MARRIAGES.—The Attorney-General moved, seconded by the Lieutenant-Governor, that the Bill be read a second time.

The Hon. P. Ráma-Náthan opposed the third reading. On the motion for third reading,—

THE COUNCIL DIVIDED.

Ayes.	*Noes.*
The Hon. R. A. Bosanquent.	The Hon. F. M. Mackwood.
The Hon. A. L. De Alwis.	The Hon. P. Ráma-Náthan.
The Surveyor-General.	
The Government Agent Central Province.	
The Government Agent Western Province.	
The Treasurer.	
The Auditor-General.	
The Attorney-General.	
The Lieutenant-Governor.	

Ayes, 9; Noes, 2; Majority, 7.—Motion carried.

The report of the Law Officers of the Crown, dated the 11th instant, stating that there was in their opinion no legal impediment to the execution by the Colonial Tribunals of a law in terms of the Bill, having been read, the Bill was, on the motion of the Attorney-General, seconded by the Lieutenant-Governor, read a third time and passed.

Protest.—The Hon. F. M. Mackwood gave notice of protest against the passing of the Bill, which he subsequently handed in :—

I RECORD my protest against the "Mohammedan Marriage Registration Bill," for the following reasons :—

1. That the Bill is uncalled for. It is true that certain evils have arisen in two or three parts of the country through the carelessness or roguery of the Mohammedan priests in keeping proper records of the marriages performed by them; and a few petitioners, in ignorance of the compulsory nature of the Ordinance, supported the Bill, but in the evidence taken before the Sub-Committee all the witnesses except one gentleman were in favour of the registration of "kaḍuttams," but not in favour of an enactment which in this Island renders ineffectual their own marriage ceremonies.

2. That the majority of the Government servants consulted have expressed their opinion that a registration of divorces should be put on the same footing as that of marriages, but this has been strenuously opposed by the Acting Attorney-General, the responsible author of this Bill, on the ground apparently of the easy facility a man has of divorcing his wife or wives. I quote his words :—

"I could understand if a Mohammedan husband was not permitted to marry more than one wife, in that case I could understand there being some sort of check supplied by the Government to protect unwary females; but here, when a man can be divorced to-day by mutual consent, be married to-morrow, divorced again on the third day, and marry again on the fourth, how can you possibly hope to provide an effectual check by means of a register of divorces, or check against contracting invalid marriages? I could understand the registration of a divorce if the effect of a registration of a divorce be to check invalid marriages; but where, as in the case of the Mohammedans, a man can contract four marriages legally, I do not see the object of providing only for registration of divorces which are obtained by mutual consent."

Again the Attorney-General has said :—

"Tallocks are mere letters of divorce in which a man says, 'I divorce thee,'—those three words are sufficient. The letters are given to the Lebbe, and the Lebbe sends them round to the wife. If she conceals herself it is left with some member of her family, or what is better still, the letters are registered and sent by post, and the husband may, without any cause whatever, issue those three letters, and whether they are actually delivered or not, the divorce is complete."

In debate in Committee the Attorney-General further stated :—

"That under the Bill, a registrar would be compelled to register to one man within a short period twenty or thirty wives, without any evidence of divorce."

As a check to invalid marriages, considering a man may have four wives at any one time, a registered divorce may be of little service, but considering the object for which this Bill was introduced, it appears to me that non-registration of divorces opens a door to the creation of other evils, and particularly questions affecting paternity of offspring.

3. A thoroughly satisfactory remedy for the evils disclosed can, I think, be found in adopting the suggestion made by the Mohammedan community, viz., that their priests should be compelled to attest the kaḍuttams in duplicate, and forward one copy to the Registrar-General for preservation. An Ordinance licensing Mohammedan priests, and including powers to inflict penal punishment in cases of neglect to forward a duplicate kaḍuttam to the Registrars, should be more effectual than the Ordinance brought forward by the Government.

4. In regard to this question of polygamous marriages, the position of this Government hitherto has been one of tolerance of the observance by the Mohammedans of a domestic custom

with which Europeans can have little sympathy. A departure from this position to make registration of such marriages *compulsory* is not only a retrograde step in civilization, but implying as it must to the bulk of the Mohammedans an active participation in their polygamous customs, is little, if anything, short of a scandal and blunder.

By the passing of Ordinance No. 3 of 1870, the people of this country have learnt that the Government will not tolerate polyandrous marriages. It is much to be regretted, therefore, that when the tone of thought in Ceylon is being improved in this direction, the Government should now identify itself with polygamous marriages, and thus undo the work of its predecessors.

As representative of the general European community, I feel it my duty to state here that in the opinion of a large number of that community (as well as my own), legislation so flagrantly sanctioning wholesale polygamy should not disfigure our Statute books.

5. References in discussion of the Bill have been made to the Bengal and Straits Bills, but in both cases, I understand, that registration is optional, whilst in Madras, with which we are most closely connected, there is no registration of Mohammedan marriages.

Colombo, 25th February, 1886. F. M. MACKWOOD, M.L.C.

5. Closing of the Session.—His Excellency the Governor closed the Session with the following Address :—

Honourable Gentlemen of the Legislative Council,

I am now enabled to release you for the present from your attendance on your Legislative duties.

The Session which I now close was commenced at too late a date to permit of the due discussion or consideration of measures containing elaborate and complicated provisions, and I have consequently been obliged to postpone until our next Session the consideration of more than one measure of grave importance.

It is my intention, should no unforeseen obstacle interpose, to call you together at a comparatively early period in the present year, and to give publicity, some time previously to the date appointed for your assembling, to the drafts of the principal measures which I propose to ask you to consider.

The Youthful Offenders Ordinance, and the Ordinance for the Registration of Mohammedan Marriages, are of themselves, with the Irrigation Loan Ordinance, sufficient to show that the labours of the Session have not been fruitless. Useful amendments, which were found to be required in the practical working of various former Ordinances, have also been effected during this Session.

Should the consent of the Imperial Government be obtained to the commencement of the work during the present year, the Ordinance which authorizes the raising of a loan for the extension of the railway system of the Island, will be found to be of great utility in saving valuable time, which would otherwise be lost.

The Colombo Waterworks Ordinance, which at one time seemed not unlikely to excite some difference of opinion, has been adopted with an unanimity which reflects credit on the practical aptitude for Legislative business of the Council.

I thank you for the readiness with which you have voted the supplies for the current year. It will be my anxious care to administer them with due regard to the circumstances of the Colony, and the exigencies of the Public Service.

I desire to bear my testimony once more to the moderation and good temper which have, as heretofore, characterised the deliberations of this Assembly ; and I beg its members to accept my hearty good wishes for the approaching recess.

I.—1885.

RIGHT TO FAMILY INTERMENT

IN THE

MARADANA MOSQUE BURIAL GROUND.

REPORT of a SELECT COMMITTEE of the LEGISLATIVE COUNCIL appointed to consider and report upon the Petition of certain Members of the Congregation of the Maradána Mosque on the subject of their Rights to Family Interment in the Burial Ground attached thereto.

Ordered by the Legislative Council to be Printed.

Colombo:
GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1885.

EXTRACT from Minutes of the LEGISLATIVE COUNCIL, dated 27th January, 1885.

"That the Petition presented at the last meeting of Council from certain Members of the Congregation of the Mohammedan Mosque at Maradána be referred to a Select Committee, consisting of the Treasurer, the Government Agent of the Western Province, the Hon. P. Ráma-Náthan, and the Hon. R. A. Bosanquet, for consideration and report."

MARADANA MOSQUE BURIAL GROUND.

WE, the Select Committee of the Legislative Council appointed to consider and report upon the petition of certain members of the congregation of the Maradána Mosque on the subject of their rights to family interment in the burial ground attached thereto, have the honour to report as follows :—

From the records of the Colombo Municipal Council it appears that on 7th September, 1874, a resolution was carried "that all intra-mural burials do cease in all parts of the town of "Colombo, general cemeteries established under the Ordinance No. 12 of 1862 excepted, from "the 1st day of September, 1875, provided vested rights in family vaults be protected, if such "rights be substantiated to the satisfaction of the Municipal Council within three months of the "date of closing any burial ground in respect of which such rights exist." Upon this resolution being submitted to His Excellency the Governor, a Proclamation appeared, bearing date 13th March, 1875, closing all the burial grounds within the Municipality from the 1st September of that year, subject to the proviso that in the event of there being "places of family interment" in such burial grounds, and "where the existence of any such family burial places shall, before "the expiration of three months from the closing of the burial grounds aforesaid, have been "substantiated to the satisfaction of the Municipal Council, such family interments may, so far "as space will allow, be continued in such burial place, notwithstanding the closing of the burial "ground in which such family burial places are situated." The trustee of the Maradána Mosque at this time was one C. L. Marikar, Mudaliyár, who was also the Head of the Moorish community. On the 26th August, 1875, he wrote officially to the Municipal Council asking for a free grant of land of 3½ acres in extent, at Kanatta, and urged that the Maradána burial ground cost the Mohammadan community Rs. 12,250, and if they were to be deprived of the use of it, it was the duty of the Government to provide them with another place, where they could bury the dead according to their usages ; and he added,—"Although the distance of this place will cause us very great expense "and inconvenience, yet we are willing to endure all this for the sake of the good intentions of "the Government. Until such arrangements could be effected, we will be compelled to continue "our burials in the present burial ground, for which purpose it will be necessary to extend the "period specified in the Government Proclamation." In consequence of this and other representations made to the Municipal Council, a Special Committee of that Council was appointed to consider and report upon the question raised by the various communities who felt themselves aggrieved by the Proclamation ; and as a result of the report made by the Committee, the closing of the burial ground attached to the Maradána Mosque was, by Proclamation dated 23rd December, 1875, postponed till 1st January, 1879, saving the rights of such persons as had family burial places in the said burial ground.

It will be noted that the Proclamations of 13th March, 1875, and 23rd December, 1875, differ materially from the resolution passed by the Municipal Council on 7th September, 1874, in that the expressions "family burial places" and "places of family interment" are substituted for "family vaults." Had the wording of the original resolution been strictly adhered to, the present difficulty would never have arisen, as there are no family vaults in the Maradána Mosque burial grounds.

To continue however. On the 27th August, 1875, C. L. Marikar forwarded to the Municipal Council a list of eleven persons who, he stated, had a right to family burial places in the Mosque burial ground ; and on 4th November following, he forwarded a second list, making the total number of claims 26, and said at the conclusion of his letter,—"This, I believe, completes the list "of family graves in that cemetery, as no other person has claimed the privilege." It appears, however, that certain other members of the Mohammadan community forwarded their claims direct to the Secretary of the Municipal Council. The Law Committee of the Municipal Council was appointed a Sub-Committee to inquire into those claims, but their report is not to be found among the papers laid before us, though on the 3rd April, 1878, upon the motion of the Chairman of the Municipal Council,—"that the question of the vested rights in the burial grounds affected by the "Proclamation of 23rd December, 1875, be considered in terms of the Special Committee's report of "17th September, 1875, with special reference to the Maradána Mosque burial ground to be closed "on 1st January, 1879, in which no less than 103 persons claim the right of family interment,"—the Council resolved that the Law Committee be requested to report to the Council regarding the claims referred to in the above motion. The Secretary of the Municipal Council informs us that he is not certain that the Committee made any report. We find from the evidence given by Mr. Coomara Swamy (a member of the Law Committee) in a case tried before the District Court of Colombo on the 8th September, 1881, that he and Mr. Vanderstraaten (also a member of the Law Committee) were deputed to receive and investigate the claims of the Mohammadan community, and that they visited the ground on three or four occasions ; and Mr. Coomara Swamy adds, that when he visited the ground "there were thousands of Moormen, and each "claimed a right to burial, and pointed out the place in which he had a right of burial." Mr. Coomara Swamy also stated that it was difficult to make any decision then and there. It is clear that, between the years 1876 and 1878, no attempt was made by the claimants to substantiate to the Council the claims they had put forward, and that the Sub-Committee felt themselves unable to report to the Council regarding the said claims.

In this unsettled state of things it is not to be wondered at that those who fancied that they had vested rights to family interment continued to bury their deceased relations even after the expiry of the period defined by the Proclamation, viz., 1st January, 1879. On discovering this to be so, the Municipal Council notified to the trustees of the Maradána Mosque, on 30th September, 1879, that the Ordinance would be enforced if any burials were allowed thereafter—and, as a matter of fact, ordered several prosecutions. "Nevertheless," says the Secretary in his examination before us, "interments have continued and given rise to other criminal prosecutions."

It was after one of these prosecutions that the Council resolved, on 18th October, 1881, as follows:—"That this Council is of opinion that the claims to the right of family interment in the "Maradána Mosque burial ground have not been substantiated to the satisfaction of the "Municipal Council, and that all such claims should be rejected." It is admitted that this resolution was served on almost all the claimants, certain of whom petitioned His Excellency Sir James Longden on 25th November, 1881, and stated that though they had submitted their claims within the time sanctioned by the Proclamation, and "all conditions were fulfilled and "all times elapsed to enable the Municipal Council to hear and adjudicate upon the claims of "the undersigned, yet the Municipal Council omitted and neglected to investigate their claims, "and so abstained from giving them any opportunity to substantiate such claims," and then prayed that an opportunity might be granted to them "to substantiate their ancient privilege "of family burials by such means as to Your Excellency shall seem meet." The petitioners were informed by letter of the Colonial Secretary, dated 21st January, 1882, that their claims could be adjudicated upon only by the Municipal Council and not by the Executive Government, as under the Proclamation it did not reserve any jurisdiction in the matter, and the petitioners were referred to their legal remedy. In reply, it was pointed out to the Government that "the petitioners had no legal remedy, as the Municipal Council are now *functus officii*, and "even if this were not so, the petitioners are advised that the members of the Municipal Council "now in office cannot be held legally responsible for the tort of their predecessors who neglected "within the specified time to adjudicate upon the claim of the memorialists."

The Government thereupon determined to deal with the question by special legislation, and transmitted to the petitioners the draft of an Ordinance which was intended to be introduced at the session of the Legislative Council for 1882. By the 4th clause of the Bill, the privilege of being buried in their respective places of family interment was limited (on what principle, we are not in a position to say) to 31 persons, referred to in the schedule annexed to the Bill, and it was "not to extend to their descendants or other members of their respective families." The petitioners memorialised His Excellency again, and prayed for a modification of the proposed Ordinance in the following respect,—"That the right of family interment mentioned in section 1 of the Bill should be extended to the wives, parents, and lineal descendants of the memorialists." They prayed also for some minor amendments. But in consequence of representations made by the Municipal Council, the Bill was not introduced in the Legislative Council. Upon the arrival of the present Governor, the petitioners memorialised His Excellency, and were informed that if they petitioned the Legislative Council their case might be dealt with by a Committee of the Council; they accordingly memorialised the Legislative Council, which led to the appointment of the Select Committee.

It is the case of these petitioners, thirty-eight in number, which we have to consider and report upon.

After carefully gathering the history of the question from the records of the Municipal Council, and from other available documents, we, on the application of the petitioners, permitted them to appear before us by counsel.

Several claimants were also examined by us. Their case is, that the Municipal Council did not give them an opportunity to substantiate their claims within the prescribed time (1875 to 1878), and that, according to the Mohammadan law, if a Mohammadan was allowed to bury a member of his family in the burial ground attached to a mosque, his family became vested with a right to bury its deceased members in and around that spot. Indeed, one of the witnesses, an *Alim* by profession, sited to us a passage from an alleged work of authority in Arabic, and maintained, as did most of the other witnesses, that their claims were founded not upon sentiment or convenience, but upon religion. It was this aspect of the question that was pressed upon us. The present trustee of the mosque and Head Moorman, Kattu Lebbe Kasie Lebbe Markar, explained to us as follows:—

"By claiming a family right in a particular ground, I claim the right of interment there "for myself, my wife, my daughters and their husbands, my sons and their wives and their children, "my brothers, sisters, and their wives and husbands and their children—in fact, for all who are "related to me by blood or marriage.....The present mosque was built about 65 years ago. .....The rights of the petitioners who petitioned the Municipal Council date mostly from a "time previous to the building of the mosque. The extent of each lot is about 18 or 20 cubits square, "and when this space is filled by graves, for fresh burials old graves are re-opened and used. "The rights accruing cannot be opposed by any one. Any Mohammadan would acquire the same "right if a member of his family was buried in the ground. Being a Mohammadan, and having "a relative buried there, would confer the right. The right, in the case of any Mohammadan, to "a particular lot would arise by the Mohideen (sexton) pointing out a place of burial by desire "of the Head Moorman for the burial of the deceased relative, and the family right would thus originate."

We are not satisfied with this view of the case. When the claims were originally submitted to the Municipal Council, its Secretary, being called upon for his report, recorded for its information on 31st August, 1875, as follows:—

"I met the first applicant, Mr. Abdul Rahman (who was a member of the Municipal

"Council at the time) by appointment at the mosque grounds, where I was shown a portion of the "burial ground said to contain the remains of his father, grandfather, and another relative. *I was "further informed that by common consent, no strangers would consider it decent to interfere with a "place of family interment like the above, unless there was absolutely no space in any part of the "burial ground.*

"To satisfy myself of the correctness of the above representation, I consulted Mr. C. L. "Marikar, late Shroff Mudaliyár, who is the trustee of the Maradána Mosque and Head Moorman, "and was informed that some of Mr. Abdul Rahman's relatives were buried in the Maradána "Mosque burial ground, although other relatives were buried elsewhere, and that no Muham-"madan would consider it *decent* to interfere with any portion of a burial ground which contained "the remains of members of a particular family."

The above statement of facts and of the opinions maintained by two of the most important and intelligent members of the Mohammadan community, disprove the theory of family *rights* as maintained by the petitioners. A place of interment conceded to a family on grounds of decency, so long as there is room for other families to bury in other parts of the mosque grounds, is very different from an absolute right in a family to bury its deceased members in a particular spot, to the exclusion of all other families. The claimants have obviously mistaken the one for the other. The authority cited to us by the *Alim* does not, in our opinion, support the existence of the general right contended for under the sanction of the Mohammadan religion.

Nor can we help observing that "the trustee, priests, and arbitrators," who formed the committee of management of the Maradána Mosque in 1875, could not have believed in the existence of any such rule of religion; for in March, 1875, it was resolved by them that those who had family graves in the Maradána Mosque burial grounds should forfeit their claims if they did not pay to the committee fifty rupees for each such grave. In explanation of this resolution, the present trustee deposed to us as follows:—"When the meeting was held in 1875, "and the resolution was carried enjoining the payment of fifty rupees by the persons whose claims "to family burial places had been proved to the three arbitrators, I believed that the failure to "pay fifty rupees would deprive me of my rights to the ground I claimed. I proved my right to "the arbitrators and paid to the committee of management fifty rupees. I produce my receipt. "The sum of fifty rupees was demanded in order that the money should be spent for the repair "of the Mosque. *The claims of those who failed to pay were absolutely rejected.*" As we cannot conceive how "rights" sanctioned by the Mohammadan religion could be rejected by the priests and elders of the mosque at their discretion, we are constrained to believe that such claims are neither "rights," nor founded upon the authority of religion.

Even if the claims were well founded, it would have been very difficult, if not impossible, to define the metes and bounds of each family grave. Some of the witnesses referred to a strip of land of about six feet in breadth running round each of the family graves, and demarcating one from another. But personal inspection of the burial grounds has enabled us to see that the so-called family graves are scattered loosely over the sixteen acres of land attached to the mosque, and are in most cases undistinguishable from each other. We, therefore, called upon those interested to mark the limits of their respective graves. It has since been brought to our notice that, in the endeavour to define boundaries, some of the petitioners have included within their "family graves" ground in which strangers have been buried, and that such encroachment, if sanctioned, might lead to a disturbance of the public peace. The difficulty of assigning metes and bounds to each family affords another reason why the claims of the petitioners should not be recognized.

We arrive at this conclusion all the more willingly in view of the resolution of the Municipal Council passed on the 11th October, 1881, and duly notified to the claimants, "that this "Council is of opinion that the claims to the right of family interment in the Maradána Mosque "burial ground have not been substantiated to the satisfaction of the Municipal Council, and that "all such claims should be rejected."

We would also mention that a large number of Mohammadans, who did not join in the memorial to the Legislative Council, submitted to us their claims to family graves in the Maradána Mosque burial grounds, and begged for leave not only to prove their own claims, but also to disprove the claims of some of the memorialists. Having formed our opinion on the merits of such claims, we did not accede to their request, more especially as we had no authority from the Legislative Council to admit and report upon other claims than those of the memorialists.

We therefore recommend that the claims of the memorialists be rejected, and that efficient measures be taken to discontinue wholly the use of the Maradána Mosque grounds as a place of burial.

R. W. D. MOIR,
Acting Treasurer.

F. R. SAUNDERS,
Govt. Agent, Western Province.

P. RAMA-NATHAN.

RICHD. H. BOSANQUET.

Colombo, 6th June, 1885.

II.—1885.

CASH BALANCES OF THE COLONY.

STATEMENTS

SHOWING

I.—Return of the Cash Balances of the Colony on 31st August, 1885.

II.—Return of the Total Surplus Revenue on 31st December, 1884, including the Balances of all Lapsed Votes.

III.—Railway Construction Account, 31st December, 1884.

Ordered by the Legislative Council to be Printed.

Colombo:

GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1885.

CASH BALANCES OF THE COLONY.

I.—Return of the Cash Balances of the Colony on 31st August, 1885.

	Rs	cts.
Cash Balance on 31st August, 1885	6,100.238	81

II.—Return of the Total Surplus Revenue on 31st December, 1884, including the Balances of all Lapsed Votes.

Nil.

III.—Railway Construction Account, 31st December, 1884.

	Rs	cts.		Rs.	cts.
To Expenditure on Chatham-street extension	7,567	26	By Balance on 31st December, 1883...	271,222	75
To Expenditure on New Fort Station	1,520	0			
Do. on double-culvert road, Lotus Pond	1,909	35			
To Mátalé Railway, part expenditure	159,514	15			
To Railway Extension surveys, do.	44,480	93			
	214,991	69			
Balance on 31st December, 1884	56,231	6			
	Rs. 271,222	75		Rs. 271,222	75

Audit Office,
Colombo, 20th October, 1885.

R. W. IEVERS,
for Auditor-General.

III.—1885.

VILLAGE TRIBUNALS.

A STATEMENT

SHOWING

THE DISTRICTS, PRESIDENTS, THEIR SALARIES AND STAFFS, AND THE NUMBER AND THE NATURE OF THE CASES DISPOSED OF DURING THE YEAR 1884.

Ordered by His Honor the Administrator of the Govt. to be Printed.

Colombo:
GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1885.

RETURN showing the Names of Districts, Presidents, &c., and the Number of Cases instituted, decided, and in Appeal, under "The Village Communities Ordinance," throughout the Island, for the year 1884.

Districts.	Presidents	Salaries.	Staff.	Cost of Staff per annum.	Pending on 1st January, 1884.		Instituted during 1884.		Amicable Settlements under Section 23		Decisions. Civil.		Decisions. Criminal.							Appeals. To Government Agent.		Appeals. From G. A. to Governor and Ex. Council.		Pending on 31st December, 1884.	
					Civil.	Criminal.	Civil.	Criminal.	Civil.	Criminal.	Money.	Land.	Breaches of V. C. Rules.	Irrigation.	Assault.	Theft.	Malicious Injury.	Cattle Trespass.	Maintenance.	Confirmed.	Set aside.	Confirmed.	Set aside.	Civil.	Criminal.
Western Province.																									
Alutkúru Kórale South				Rs.																					
Gampaha	D. A. E. Dias Bandaranayaka.	Rs. 1,800 per annum including travelling allowance.	2 Native Writers at Rs. 20 each, 2 do. at Rs. 10 each, 2 Messengers at Rs. 10 each, 2 do. at Rs. 5 each, 3 Sweepers at Rs. 5 each, and 1 do. at Rs. 3 per month.	1,296	7	26	219	279	40	75	208	1	92	11	97	56	15	2	3	15	1	—	—	17	29
Kanuwana					48	52	284	392	39	106	312	3	133	—	171	109	8	2	1	18	3	1	—	17	20
Ambatalenpahala					12	9	178	183	46	65	176	1	95	—	48	25	2	2	—	5	—	—	—	13	16
Wattala					18	19	121	106	30	37	130	—	51	1	41	22	1	—	1	8	—	—	—	9	8
Héwágam Kóralé.																									
Hanwella	L. C. De F. Samarakkody, Mudaliyár.	Rs. 1,600 per annum including travelling allowance	2 Native Writers at Rs. 20 each, 2 Messengers at Rs. 10 each, 2 Sweepers at Rs. 5 each, and 1 do. at Rs. 3 per month.	876	12	16	326	479	31	39	308	9	166	2	160	90	7	31	6	37	11	1	—	21	33
Nawagomuwa					6	9	236	386	14	44	227	3	136	—	144	80	10	1	8	22	6	1	—	12	16
Mulleriyáwa					3	4	75	98	2	5	73	3	24	—	32	37	3	—	—	10	2	—	—	2	6
Siyané Kóralé West.																									
Mahara	D. B. P. Abeyesekera, Mudaliyár.	Rs. 1,500 per annum including travelling allowance.	2 Native Writers at Rs. 20 each, 2 Messengers at Rs. 10 each, & 1 Sweeper at Rs. 5 per month.	780	35	46	314	633	72	246	262	2	201	2	116	71	9	—	11	17	—	1	—	18	23
Henaratgoda					61	83	406	791	104	233	349	3	143	5	199	237	9	6	13	18	7	—	—	11	29
Salpiti Kóralé.																									
Gangodawila	D. A. A. Wijayasinha, Mudaliyár...	Rs. 1,600 per annum including travelling allowance.	1 Native Writer at Rs. 20, 1 Messenger at Rs. 10, and 1 Process Server at Rs. 10 per month.	480	2	52	423	811	72	105	380	12	208	14	270	229	8	110	6	36	10	—	—	33	18
Kégalla.																									
Máwanella	J. H. Girihagama...	Rs. 1,500 per annum including travelling allowance.	1 Native Writer at Rs. 20, 1 Messenger at Rs. 10, and 2 Sweepers at Rs. 5 each per month.	480	222	189	1119	1220	165	288	1185	118	406	36	184	344	72	188	143	54	6	3	—	38	36
Rambukkana																									
Dehiówita	J. C. Molamure ...	Do.	1 Native Writer at Rs. 20, 1 Messenger at Rs. 10, 1 Sweeper at Rs. 5, and 1 do. at Rs. 2·50 per month.	450	200	163	1459	1015	331	269	356	11	69	—	35	64	1	15	8	19	8	1	1	140	62
Ruwanwella																									
Bulatkohopitiya																									

Ratnapura.																									
Higgashéna ...	E. F. Mapitigama...	Rs. 1,500 per annum including travelling allowance.	1 Native Writer at Rs 20 and 1 Messenger at Rs. 10 per month.	360	72	67	422	492	23	45	473	6	281	3	70	124	3	64	4	29	17	5	—	15	10
Minnána ...					10	17	277	260	20	18	282	5	137	1	26	57	1	40	10	11	3	2	—	—	5
Kiriella ...					29	12	164	125	7	9	173	2	63	—	8	28	—	25	—	4	5	4	—	18	13
NORTH-WESTERN PROVINCE.																									
Wéuḍawili Hatpattu...	B. D. Tenne ...	Rs. 800 and Rs. 360 as travelling allowance.	1 Clerk, 2 Messengers, and 1 Court-keeper ...	510	92	31	970	666	13	45	980	38	202	—	138	162	13	119	15	12	3	—	—	31	3
Wanni Hatpattu ...	S. E. Herat ...	Do. ...	2 Clerks, 2 Messengers and 2 Court-keepers ...	672	611	603	1324	1521	521	536	1015	66	1173	—	165	59	1	12	31	75	21	—	—	333	147
Déwamędi Hatpattu...	J. C. Amarasekara	Do. ...	1 Clerk, 2 Messengers and 1 Court-keeper ...	510	134	94	989	448	142	67	792	54	196	—	86	85	7	44	15	43	4	—	—	135	42
Katugampola Hatpattu	R. B. W. Moonamale	Do. ...	1 Clerk, 2 Messengers and 2 Court-keepers ...	540	285	141	175	709	66	222	1784	96	216	3	84	144	3	149	15	20	1	—	—	90	14
Hiriyala Hatpattu ...	C. H. Moonamale...	Do. ...	1 Clerk, 1 Messenger and 2 Court-keepers ...	414	202	66	990	880	433	176	502	96	299	1	86	95	118	110	19	69	14	5	—	161	42
Dambadeni Hatpattu	J. H. Halpe ...	Do. ...	1 Clerk, 2 Messengers and 2 Court-keepers ...	540	286	247	1153	997	130	59	964	14	229	—	123	109	7	388	15	16	6	1	—	331	314
Demala Hatpattu ...	R. A. H. Banda ...	Do. ...	1 Messenger ...	54	41	50	294	328	54	52	263	2	154	—	59	8	—	58	5	4	4	—	—	16	42
SOUTHERN PROVINCE.																									
Galle.																									
Bentoṭa-Walalláwiṭi Kóralé.	James Edmund Jayatileke.	Rs. 1,100 and Rs. 360 travelling allowance.	1 Clerk and 2 Peons ...	420	77	47	1085	599	119	129	1121	—	308	—	180	160	39	60	4	70	15	6	—	36	53
Hinidum Pattu and Mápalagama.	Charles Goonetilaka	Rs. 1,000 and Rs. 360 travelling allowance.	do. do. ...	420	87	24	524	449	135	175	561	12	146	—	93	145	7	49	3	28	4	1	—	38	30
Mátara.																									
Weligam Kóralé ...	R. R. Dunuwila ...	Rs. 1,100 and Rs. 360 travelling allowance.	do. do. ...	420	—	—	1083	963	46	98	960	3	296	18	459	275	15	—	20	50	2	2	1	—	—
Morowak Kóralé ...	C. A. Senewiratne	Do.	do. do. ..	420	123	58	965	592	313	156	573	99	109	14	125	128	17	50	12	78	15	2	—	97	49
Wellaboḍa Pattu ...	J. D. C. Perera ...	Rs. 840 and Rs. 300 travelling allowance.	do. do. ...	420	113	130	1471	1679	294	487	992	253	480	38	411	272	36	44	18	138	32	5	—	45	23
Gaṇgaboḍa Pattu ...	J. P. Goonatileka...	Do	do. do. ...	420	130	139	1110	1237	216	236	1105	71	453	—	349	423	38	45	30	116	10	6	—	64	38
EASTERN PROVINCE.																									
Batticaloa North ...	E. Crowther ...	Rs. 1,200 ...	3 Clerks and 1 Peon ...	450	264	61	2138	754	875	81	2261	13	396	—	163	106	29	37	53	12	1	—	—	128	31
Batticaloa South ...	M. Sidemparanather	„ 1,200 ...	3 Clerks and 2 Peons ...	720	316	70	3821	1195	2362	426	3873	11	605	—	289	102	19	29	192	41	5	1	—	253	29
Trincomalee																									
Koḍḍiár Pattu ...	M. Nanamuttu ...	„ 1,000 ...	1 Clerk and 2 Peons ...	32·50	95	38	1195	201	320	72	1256	3	141	—	40	28	9	13	7	6	2	—	—	31	1
Kaḍḍukkuḷam Pattu ...					77	27	561	169	198	32	546	4	123	—	24	16	5	22	1	1	—	—	—	88	5
Tampalákam Pattu ...					53	15	393	102	127	8	442	2	84	—	16	6	5	2	3	3	1	—	—	2	1
CENTRAL PROVINCE.																									
Kandy Proper.																									
Uḍunuwara ...	K. B. Kobbekaduwa	Rs 1,320·00 ...	4	420	61	74	397	811	39	291	332	44	28	6	295	66	84	28	15	33	2	—	—	21	26
Dumbara ...	C. B. Nugawela ...	„ 1,698·48 ...	4	540	199	176	1303	1554	58	275	1331	13	178	64	277	279	183	197	73	69	9	2	—	158	114

[*continued over*]

Districts.	Presidents.	Salaries.	Staff	Cost of Staff per annum.	Pending on 1st January, 1884.		Instituted during 1884.		Amicable Settlement under section 23.		Decisions.									Appeals.				Pending on 31st December, 1884.	
											Civil.		Criminal.							To Government Agent.		From G. A. to Governor and Ex. Council.			
					Civil.	Criminal.	Civil.	Criminal.	Civil.	Criminal.	Money.	Land.	Breaches of V. C. Rules.	Irrigation.	Assault.	Theft.	Malicious Injury.	Cattle Trespass.	Maintenance.	Confirmed.	Set aside.	Confirmed.	Set aside.	Civil.	Criminal.
Central Provinces—contd.																									
Badulla.		Rs.		Rs.																					
Uḍukinda ...	D. W. Banda ...	1,219·92 ...	3	540	33	35	264	252	27	85	211	2	—	30	33	20	7	28	23	1	—	—	—	50	41
Mátalé.																									
Mátalé North ...	R. R. W. G. B. Tikiri Banda.	1,200 ...	3	540	133	72	467	446	59	43	366	54	147	—	76	53	14	88	2	21	7	—	—	121	95
Mátalé East ...	T. B. Aluwihara ...	1,200 ...	3	531	20	16	778	681	202	168	540	35	32	—	234	83	44	97	23	33	3	1	—	21	16
Nuwara Eliya.																									
Kotmalé ...	W. Punchi Banda	1,320 ...	2	348	20	30	251	468	51	122	246	2	229	15	111	105	43	24	5	3	1	—	—	—	—
Uḍa Héwáhęta ...	T. B. Rambukwelle	1,320 ...	2	468	—	—	830	684	75	151	824	4	300	—	104	106	23	112	30	10	1	—	—	2	9
Walapané ...	T. B. Rambukwelle and D. W. Banda.	1,320 ...	—	—	43	47	397	407	—	—	397	6	182	10	25	100	22	82	20	1	1	—	—	37	13
North-Central Province.																									
Nuwaragam Paláta ...	T. B. Timbiriwewe	1,500 ...	3	360	16	22	547	260	116	145	533	30	43	38	30	9	7	104	24	50	4	2	3	—	—
Hurulu Paláta ..	Ekanayaka Loku Banda of Hinguruwelpitiya from January 1st to 15th October ...	1,500																							
	Nikawęwé Loku Banda, P. M., from 15th October, 1884	750 ...	3	360	6	16	505	493	107	38	310	42	112	33	34	11	8	263	17	142	31	—	2	46	37
Kalagam Paláta ...	Dissanayaka Herat Bandaralage Ukku Banda, of Demunwęwa.	1,500 ...	3	360	32	118	335	413	51	177	286	20	232	12	30	7	4	194	7	27	7	—	—	19	6
Tamankaḍuwa ...	W. A. Dúllęwe Dissáwa.	780 ...	3	360	55	8	132	18	35	5	124	—	13	—	2	4	—	—	—	3	—	—	—	28	2

IV.—1885.

REPORT OF THE COMMISSIONERS

APPOINTED TO ENQUIRE INTO THE

LAW OF MORTGAGE IN CEYLON

AND TO REPORT

WHAT STEPS SHOULD BE TAKEN TO PLACE THE LAW ON A SATISFACTORY FOOTING.

Ordered by His Honor the Administrator of the Govt. to be Printed.

Colombo:
GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1885.

MORTGAGE LAW COMMISSION.

REPORT.

To His Honor the Officer Administering the Government.

Colombo, 14th October, 1885.

Sir,—Your Commission appointed under the Governor's warrant on the 8th of December last, for the purpose of making enquiry into the Law of Mortgage in Ceylon, and reporting what steps should be taken to place the law on a satisfactory footing, have the honour to submit for Your Honor's consideration the following report.

2. Your Commission since the date referred to have undergone a change of membership in consequence of the departure to England of Mr. Henry Bois, whose place has been filled by Mr. G. B. Leechman, while the Acting Attorney-General was added to those already appointed on the Commission in March last.

3. The work of the last Legislative Sessions prevented your Commission from pursuing their investigations before the beginning of March, when, in view of the nature and scope of its enquiry, it was found necessary to obtain an extension of time for making your Commission's report, and Your Honor has since been pleased to continue that extension to the 15th instant.

4. At the commencement of the inquiry, witnesses were summoned in the usual way before your Commission in order to ascertain what, according to lay and legal opinion, were the defects, if any, which existed in the law or procedure relating to mortgages as at present administered, and what were the best means of remedying those defects.

5. It was subsequently decided, however, that written questions, to be answered at leisure by witnesses, were better calculated to elicit the required information, and accordingly a paper of set questions on the subject of Mortgage Law and Procedure was printed and circulated amongst the various gentlemen whose names appear in the schedule hereto; and all the answers received in response are contained in the accompanying documents numbered consecutively from I to XI.

6. A copy of the paper of questions just referred to is hereto annexed for Your Honor's information.

7. The common topics of complaint with those who have laid their views before your Commission are :—

8. (*a*) Uncertainty in the present law of mortgage on some points of importance.

9. (*b*) Delay and expense in realizing mortgages.

10. (*c*) Want of protection of wasting securities pending litigation or administration, consequent on the insolvency or death of the mortgagor, or during his absence from the Island without leaving any one to represent him in all matters connected with the mortgaged property.

11. (*d*) The nominal sum for which valuable properties are sold at Fiscals' sales.

12. Your Commission are of opinion that these complaints are in a great measure well founded, and that relief is required in the directions indicated in them.

13. A conspicuous feature of the uncertainty of the law complained of is the doubt as to what is being bought and sold at a Fiscal's auction of mortgaged property under the statutory form of conveyance of the "right, title, and interest" of the mortgagor, as to what the proceeds of mortgaged property so sold represent, and as to who has the best claim to the proceeds.

14. When it is well known what is being sold and bought at a Fiscal's auction of property, which is encumbered, whether the title will in the particular case be a clean one or subject to charges, it is conceived that land in Ceylon will, in the presence of fair and reasonable conditions, be sold for as good a price by the Fiscal as by any one else.

15. On a careful consideration of the evidence, and the subject-matter of the enquiry, your Commission have arrived at the conclusion, that what is needed is not so much an alteration of the existing substantive law of mortgage, as the creation of a satisfactory system of procedure which will facilitate the realization of mortgaged properties without prejudice to the mortgagor or his creditors, and procure for them on realization something like a fair market value.

16. With this introduction, your Commission submit the following proposals which they trust may, in the language of His Excellency's warrant, help to place the law on a satisfactory footing.

17. Your Commission feel much indebted to those who have been so good as to favour them with their views on the different questions submitted; and the information thus given has assisted your Commission very materially in arriving at the conclusions embodied in these proposals.

18. To prevent secrecy and fraud it is proposed that a contract of mortgage shall not be valid unless registered, the contract being registered within say three months from the date of

its execution, and mortgages so duly registered ranking according to the dates of the execution of the contracts.

19. To facilitate the realization of securities, and to protect them till payment of the debt secured, or till sale in satisfaction, it is proposed—

20. That upon libel filed and verified upon oath in the course of an hypothecary action, a mortgagee upon an *ex parte* application shall, in all cases in which it shall appear to the court to be just or convenient that such order shall be made, and upon such terms and conditions as the court shall think just, be entitled to an order for the appointment of a receiver and manager of the mortgaged premises, pending the hypothecary action and sale of the security in satisfaction of the debt decreed.

21. That if the mortgagor be an adjudicated insolvent, it shall be competent to the mortgagee to prove his claim and realize his security in the court of insolvency, upon the same terms as in an ordinary execution decree to be presently mentioned; and if there be a deficit, he may prove for the balance against the estate *pro rata* with the other creditors.

22. That if the mortgagor dies, leaving an heir or heirs who adiate and take possession of the mortgaged property, the mortgagee shall have the same rights against them or him as he would have had against the living mortgagor, without the necessity of taking out administration.

23. That the mortgagor being dead, if the heirs have not adiated, or if there is no legal representative of the deceased mortgagor, or if the property is not in the occupation of any known person, the mortgagee, to enable him to realize his security, shall have the benefit of some such procedure as that provided by the Labour Ordinance, No. 16 of 1884, and of the facilities before indicated for the appointment of a receiver and manager.

24. That where mortgaged property has been conveyed, devised, or leased, or disposed of to a third party who takes possession thereof, under any right conferred on him by the mortgagor since the date of the contract of mortgage, the mortgagee who seeks to realize such property shall be under no obligation either to make such purchaser, devisee, lessee, or other person a party to his hypothecary action, or to give any such person notice of his intention to enforce his hypothecary rights.

25. To protect mortgaged property during the maturity of the debt thereby secured, it is proposed—

26. That in cases where in the contract of any particular mortgage it has been agreed between the parties thereto, that the mortgagee shall be allowed to enter upon and manage the property upon breach of any condition or covenant on the part of the mortgagor, the mortgagee upon proof thereof to a competent court shall, if it shall appear just and convenient to the court, be permitted to enter upon and take possession of the property upon the terms prescribed in the contract.

27. That where the mortgage contract is silent as to the terms under which the mortgagee may enter and hold possession of the mortgaged property, or where there is no special agreement that upon default of any condition or covenant therein contained on the part of the mortgagor the mortgagee shall be entitled to take and hold possession of the mortgaged premises, then in all such cases, if it shall appear to the court to be just or convenient that such order should be made, the mortgagee shall be allowed to take and hold possession of the mortgaged premises, subject to such terms and conditions as the court shall think fit to prescribe.

28. That proceedings to obtain possession pending maturity of the debt should be summary, upon application made after seven days' notice of application on the party defendant, to be served on him personally.

29. For the mutual convenience of mortgagors and mortgagees in any proceedings relating to mortgaged property, it is proposed—

30. That every mortgagor and mortgagee shall, at the time of the mortgage contract being registered, register at the Registrar's Office in a book to be kept for that purpose, an address in Ceylon for receiving legal notices and processes relating to the mortgaged premises, and, in default of this being done by either mortgagor or mortgagee, such notice or process when affixed on the mortgaged premises shall be deemed to be equivalent to personal service.

31. That notice of an intended hypothecary action by a mortgagee be given to such puisne mortgagees, if any, as have notified their incumbrances to him and registered in manner above provided for an address in Ceylon for service of such notice.

32. For the better assurance of title, and to secure fair market value for mortgaged property sold at a Fiscal's auction, it is proposed—

33. That no mortgagee be entitled to claim proceeds of sale of the mortgaged property except when sold under a mortgage decree obtained by himself or a prior incumbrancer.

34. That a mortgagee shall not be allowed to buy mortgaged property, except at a Fiscal's auction held under his own decree in an hypothecary action.

35. That a Fiscal's sale of mortgaged property, at the instance of an unsecured creditor, shall pass it to the buyer with all its encumbrances.

36. That a Fiscal's sale of mortgaged property, at the instance of a mortgagee in an hypothecary action, shall pass it free of all incumbrances ranking lower than that of the mortgagee and judgment creditor.

37. That a Fiscal's sale under a primary mortgagee's writ shall convey the premises and the right, title, and interest of the mortgagor in and to the same at the date of such mortgage.

38. That the price paid for mortgaged property sold under a mortgagee's decree shall so represent the property sold as to give the mortgagees lower in rank than the mortgagee and

judgment creditor the right to be paid their secured debts out of the balance, if any, according to their priorities upon proof in a summary way.

39. That on a primary mortgagee becoming purchaser in execution on his own writ of a single security, the execution debtor shall be entitled to have credit for the full amount of the decree, unless the execution creditor shall, within thirty days from the date of the Fiscal's sale, satisfy the court that the security was of less value than the amount of the decree, and that, if so satisfied, and to the extent determined by the court after due enquiry, the execution debtor shall have credit only for the less amount accordingly.

40. That in the event of there being more than one property mortgaged, the mortgagee seeking to enforce his mortgage shall apportion his debt between the several mortgaged properties, and such apportionment shall be credited to the mortgagor if the primary mortgagee buys the security to which the apportioned amount relates, unless such apportionment does not represent the fair market value which the mortgagor must prove as above ; and it is proposed that any such provision be not retrospective.

41. In the interest of unsecured creditors, it is proposed that a mortgagee shall not be allowed to concuss with unsecured creditors the proceeds of sale of properties of his debtor other than those specially secured to him, unless he has first surrendered his securities or realized them, or taken them at a value judicially assessed.

42. To fix a time certain for the attachment of the mortgage to the crops and produce of a simple mortgage of landed property, it is proposed that the mortgage shall attach to the crops and produce growing on the land at the date of seizure and thereafter gathered by the Fiscal pending the authority of his mandate, and in the case of the appointment of a receiver and manager in the course of an hypothecary action that the mortgage shall attack to the crops and produce growing on the land at the date of his appointment and thereafter gathered by him during his tenure of such office.

We have, &c.,

F. FLEMING.
S. GRENIER.
JAMES VAN LANGENBERG.
GEO. B. LEECHMAN.

SCHEDULE.

I.—LIST OF WITNESSES.

The Hon the Acting Senior Puisne Justice
The Hon. the Acting Junior Puisne Justice
The District Judge of Colombo
The Solicitor-General.
The Acting District Judge of Kandy.
The Fiscal of the Central Province
The Hon. Mr. Bosanquet, M.L.C.
Mr. W. Anderson.
Mr. J. H. Starey.
Mr. W. Bowden-Smith.
The Chairman of the Chamber of Commerce.
The Chairman of the Planters' Association.
The Chairman of the Ceylon Agricultural Association.

Mr. Advocate D. F. Browne.
" " C. P. Layard.
" " F. R. Dornhorst.
" " Hon. P Ramá-Náthan.
" " J Grenier.
Mr. Proctor J. Prins.
" " C. W. Ferdinands
The Messrs. De Saram
The Messrs. Julius and Creasy.
The Messrs. Loos and VanCuylenberg
Mr. Proctor J. W. Vanderstraaten.
" " A. O. Joseph
" " P. Coomaraswamy.
" " W. P. Ranasingha.

II.—LIST OF DOCUMENTS.

I.—The Hon. Mr. Justice Dias's paper.
II.—The District Judge of Colombo's paper.
III.—The Solicitor-General's paper.
IV.—The Hon. R. A. Bosanquet's paper.
V.—Mr. W. Anderson's paper.
VI.—Mr. J. H. Starey's paper.
VII.—The paper of the Chairman of the Chamber of Commerce.
VIII.—The paper of the Chairman of the Planters' Association.
IX.—The paper of Messrs. Advocates D. F. Browne, C P. Layard, Joseph Grenier, Frederick Dornhorst, H. L. Wendt, and Messrs. Proctors F C. Loos, J. W. Vanderstraaten, F J De Saram, and Frank Liesching.
X.—Mr. Proctor J. Prins's paper.
XI.—Mr. Advocate Dornhorst's supplemental paper.

III.—PAPER OF QUESTIONS.

1. In what respects do you consider the present law of mortgage defective ?

2. What amendments would you suggest (1) in substantive law, and (2) in procedure ?

3. What suggestions would you make to facilitate recovery of mortgage debts ?

4. Do you consider that a mortgagee should have the right to claim the proceeds of sale of mortgaged property ?

5. Will it be any advantage to the mortgagee to have possession of tha property mortgaged, and under what circumstances might such possession be given ?

6. Can you suggest any remedy against a mortgagee purchasing the mortgaged property for a nominal sum, and proceeding for the balance due against the other property of his mortgagor ?

7. What in your opinion should be done in the interest alike of mortgagor and mortgagee, in a hypothecary action against,—

(*a*) Mortgagor in possession and solvent ;
(*b*) Mortgagor in possession and insolvent ;
(*c*) Heirs or legal representatives of mortgagor ;
(*d*) Third parties in possession by purchase, or devise subject to mortgage ;
(*e*) Mortgagor when no one is in possession ;
(*f*) Mortgagor absent from the Island and having no one here representing him.

8. Do you consider that it would be advantageous that a mortgagee should have power to take possession of mortgaged property in default or breach of the covenants of the mortgage, without the leave of Court ?

9. Should a mortgagee have the power of sale of mortgaged property, without the leave of Court ? state how such power might be given, and under what safeguards ?

10. How in your opinion can the relative rights of primary and subsequent mortgagee be best protected ?

11. Do you consider that a puisne mortgagee should have the right of tacking on to his mortgage the amount of any previous mortgage which he pays off ?

12. What would be the best form of proceeding to enforce mortgage and to carry out the sale both under the contractual power, if any, reserved by the mortgage bond, and under a mortgage decree by Fiscal's sale ?

13. Is it desirable to enact that, unless specially stipulated otherwise in the contract of mortgage, a mortgagee shall have no recourse against either the person of his debtor or property of his debtor .other than that specially hypothecated to secure the payment of his debt or damages ?

14. Should not the judicial sale of mortgaged property at the instance of an unsecured creditor pass it to the buyer with all its incumbrances ?

15. Should not the judicial sale of mortgaged property at the instance of a special mortgagee pass it free of all incumbrances ranking lower than that of the particular mortgage and judgment creditor ?

16. Should not the price paid for mortgaged property sold at the instance of a special mortgagee so represent the property sold as to give the incumbrancers lower in rank than the particular mortgagee and judgment creditor the right to be paid their secured debts out of the balance according to their priorities upon proof in a summary way ?

17. At what price should mortgaged property be put up for sale by the Fiscal if sold at the instance

(1) of the primary mortgagee ?
(2) of the secondary mortgagee ?
(3) &c., &c.

If there are no bidders at that price, should the Fiscal so return to the Court and ask for its orders ?

18. If mortgaged property is being sold at the instance of an unsecured creditor and an incumbrancer buys it at the Fiscal's sale, should not his purchase extinguish his debt wholly if the property sold be his only security, and *pro tanto* at an assessed value if the property sold be one of two or more (cotemporaneous) securities for the same debt or damages ?

19. In the event of mortgaged property being judicially seized at the instance of an unsecured creditor, should a special mortgagee thereof (his debt being due and presently payable) be allowed to have the property sold in satisfaction of his debt without having first obtained a mortgage decree ; and if so, upon what terms, if any, as to notice to subsequent encumbrancers or payment into Court of the purchase money ?

20. If a special mortgagee is allowed, whether by contract or law, to recover his specially secured debt or damages against other of his debtor's property than his special hypothec, should he be allowed to compete with unsecured creditors for the proceeds of sale of his debtor's other properties unless he has surrendered his special hypothec, or realized it, or taken it at an assessed value ?

21. In enforcing a guaranteed debt should not a special mortgage creditor, unless otherwise expressly stipulated in the contract of suretyship or guarantee, realize his principal debtor's property before attaching or selling his guarantor's ?

22. If a surety has expressly stipulated for the seizure and sale of his property in preference to the seizure and sale of the property specially hypothecated by the principal debtor, if the creditor so elects, and if the creditor does realize his debt by sale of his surety's property, should not the judicial sale of the latter's property operate without more as a tacit immediate assignment of the creditor's special securities?

23. In the event of a mortgagor becoming insolvent should not the secured creditor be allowed, if he wishes to do so, to prove his claim and realize his security in and by the Court of Insolvency ?

24. What should be done to protect the security of a special mortgagee in the interval between the mortgagor's death and probate or administration, if either be taken out, or the acceptance by the heirs-at-our-law where no one has claimed to administer the Ceylon property ?

25. In the event of the mortgaged property being abandoned in the lifetime or after the death of the mortgagor, will it not be sufficient for the purpose of realizing the security to issue, unattended by a summons, a process in the nature of an Admiralty warrant of arrest ?

26. Should a creditor be allowed by mere priority of registration to gain priority for his mortgage over a previous mortgage of which he had actual notice at the date of his registration, or which he admits he knew of when he registered his mortgage, or which is mentioned in his contract of mortgage ?

27. Should the mortgage of an agricultural estate (to be defined) carry with it the present and future crops and produce though not expressly mentioned?

If not, when should the mortgage attach to the crops or produce? immediately on judicial decree or on seizure thereunder?

If on judicial decree, should it not attach from the date of registration of the decree?

How long should a special mortgagee be allowed to hold his mortgage decree without realizing or registering it?

28. Is a judgment-mortgagee creditor whose security has been sold under the writ of a simple or puisne mortgage creditor entitled to have execution under his decree without either.

(1) a fresh action in *rem* against the new proprietor or

(2) some notice or demand for payment of the mortgage debt from the new proprietor under the Fiscal's sale?

and shall the new proprietor be allowed for any reason to impeach the mortgage debt, and if so on what terms if any?

29. For the purposes of the proposed amendment of the law of mortgage is title to mortgaged property sold by Fiscal, or under contractual powers, to pass immediately on the acceptance of the bid and payment of deposit and to be indefeasible except on default of payment of the balance principal according to the conditions of sale? or should possession be allowed only on undertaking as to waste for the time between the payment of the deposit of the price and the balance within the time fixed by the conditions of sale?

30. Should judgment declaring immoveable property in Ceylon bound and executable for debt or damages be signed in an uncontested action without written admission by the mortgagee of the debt or damage being due and payable, or the delivery of the libel upon oath of the amount claimed to be due by way of debt or damages and, in the case of complicated accounts, such other evidence in support of the claim as the Court may require?

IV.—REPLIES TO QUESTIONS.

I.—The Hon. Mr. Justice Dias's Paper.

I HAVE very little to add to what I have already stated to the Commission. The suggestions of the Advocates and Proctors contained in the third and fourth answers appear to me to be admirable. The difficulty of suing an absent mortgagor has to some extent been met by taking a warrant of attorney to confess judgment; but I think the suggestion, that absent mortgagors and mortgagees should register their address at the Registrar-General's Office, is a very wholesome provision to meet a difficulty which often occurs; but I would extend this provision to lessees also.

With regard to the 9th answer of the Advocates and Proctors, I am not prepared to give the mortgagee any power of sale without the intervention of a Court; but if the Commission should decide to give this power to a limited extent, the procedure to be adopted by the mortgagee should be well and unmistakably defined.

The 17th answer of the Advocates and Proctors is, I think, preferable to my own suggestion to the Commission on the same point, but I think it may be advantageously improved. There may be cases in which the mortgagee may not care to purchase the mortgaged property at any price. In such a case the Fiscal should be at liberty to sell to the highest bidder, but the mortgage debt, as between the mortgagor and mortgagee, should be reduced by the sum fixed upon by the Court as the fair market value of the property at the time of the sale.

With regard to question No. 26, when the subsequent mortgagee admits that at the date of the registration of his bond he had notice of the previous unregistered mortgage, or when the previous unregistered mortgage is recited in the subsequent registered mortgage, such previous unregistered mortgage should be preferred to the subsequent registered mortgage. Care should be taken to exclude all parole evidence, by which I mean unwritten evidence, to prove the notice.

H. DIAS.

II.—The District Judge of Colombo's Paper.

Existing Defects and proposed Amendments of the Law of Mortgage.

Q. I. *and* II.—(1) I DO not consider the present Law of Mortgage in this country defective, or capable of improvement, in its principles and leading features, but there are difficulties and uncertainties in its application, which it is very desirable to remedy; and there are points of detail in which it may be open to improvement in the sense of a better adjustment to the wants of the Colony. In dealing, however, with the subject, it is very important never to lose sight of the radical difference between the leading principle of the law of mortgage as it exists with us and in most other countries, and the principle of a system peculiar to the Law of England, any overlooking of which, whether by the Courts or by the Legislature, may lead to inextricable confusion extending to the whole web of law in every branch affecting rights of property. That essential difference of principle is of course well known to the legal members of the Commission, but it will be convenient to give it prominence here, in order that it may be steadily kept in view by all who have to consider the matter; the rather as a habit which has arisen in very recent years of using terms of English law utterly inappropriate to our system, and quite meaningless in their application to it, is largely responsible for the confusion and uncertainty which has now—and only since the last few years—sprung up. In England, a mortgage of property by the owner of it passes to the mortgagee the legal estate and title to the property mortgaged, and all the right, title, and interest the debtor then had in it, only subject to an equitable right (that is to say, a right not enforcible at common law) to recover the property on paying the debt, called the "equity of redemption," but which is a thing there is no room or need for, and nothing analogous to in our system. This right of redemption the mortgagee can bar by a "Foreclosure suit," a term which also describes a thing, nothing resembling which, or in the least degree similar in its effects, exists in, or is needed or compatible with our system. In Ceylon, on the other hand (as in Europe generally), there is none of all this complexity, because a mortgage, more properly called "hypothec," does not purport to transfer ownership of any kind, and has no other than its natural function of creating a *security* for a

debt, and is tersely described as "the right which a creditor has in the *property of another*, consisting in the power of causing that other's property to be judicially sold, in order that he may be paid his debt out "of the *price*." The property remains subject to that liability into whosoever hands it may pass by subsequent title derived from the continuing legal owner, the mortgagor, unless and until it be judicially sold; and the mortgagee may claim his preferential right in the *proceeds* of any judicial sale whatever, whether made at his own or another's suit; and, as a rule, must do so, or lose the benefit of his hypothec At no time is the legal or any other kind of title in the property acquired by the mortgagee *as such*. If he happens to become owner of it at a judicial sale, it is not in his character either of mortgagee or of a judgment-creditor that he does so, but merely because he happens to be—as any outside member of the public had an equal chance of being—the highest bidder at an auction sale.

Difficulty of realizing Securities.

(2) One of the matters most vigorously urged as a defect in the present condition of the law of mortgage is "*the difficulty and delay in getting hold of the mortgaged property;*" and, in a letter published in the *Ceylon Times* of to-day (15th August), I find complaint made that a mortgagee has to bring an action against a certificated insolvent to "get possession of the property." Such objections, or at all events the terms in which they are put forward, indicate that underlying them lurks more or less unconsciously the idea (based probably on the English theory of mortgage) that our law gives a mortgagee any special right to "get hold of," or to "get possession of the mortgaged property," which it certainly does not, if either title, ownership, or personal possession by him is meant. I appprehend, however, that when so put forward by lawyers, what is meant is simply the difficulty or delay either in obtaining judgment for the debt; or in obtaining the fruits of the judgment by execution; or, more probably, the difficulty and delay a *purchaser* at a Fiscal's sale experiences in getting possession of the property he purchases—not *as mortgagee*, but simply—as the highest bidder. But such difficulty or delay is not peculiar to or in any way connected with the law of mortgage, and is due to causes which equally affect all suitors and all Fiscals' sales, whether mortgaged property be involved or not. Consequently, the remedy ought to be looked for in an improvement in the law of procedure in actions generally, and a repeal or revision of the present Fiscals' Ordinance.

Obstruction of Purchasers in execution, by Claimants to Mortgage Property.

(3) The difficulty of a purchaser in execution getting possession of what he has purchased sometimes arises from the faults in the Fiscals' Ordinance, which I will speak of further down (paragraph 8) and sometimes from his having to deal with some claimant whom he finds in possession of the land. It is complained that in the last case he is forced to bring an action to eject the person he finds in possession. And further, that if he be the purchaser of mortgaged property sold on the mortgagee's writ, he has to prove the mortgage debt over again. Dealing, first, with the simple case of finding another claimant in possession, where the land sold was *not* decreed specially executable, I confess that I see no hardship whatever in the purchaser having to bring an action to eject a stranger who claims under a title adverse to that of the judgment-debtor, or created prior to the seizure in execution, and in his having in the course of that action to prove that what the Fiscal sold was really at the time of seizure the debtor's property, and did not belong to the person who, from the mere fact of possession, is presumably the owner. I do not know why a person in possession at the time of seizure, with (as may turn out) a good title, should be put to prove his rights every time a judgment creditor chooses to seize somebody else's property as his debtor's. If it were so, it would be a fine time for judgment-creditors, and also for dishonest, debtors, and a very bad time for honest possessors. And, so far as concerns the necessity for the purchaser in execution bringing an action and proving the judgment-debtor's title to the land, I can see no reason for any different view in the case where he purchased on a *mortgage* decree, to which the possessor was no party, declaring the land specially executable, when the claim is as above described, i. e. on a title created prior to the seizure in execution, or by a title not derived from the debtor. If, on the other hand, the claimant in possession claims by title derived from the debtor *subsequent to the seizure in execution*, the Fiscals' Ordinance gives a sufficiently summary remedy by section 74.

(4) Dealing with the case in which the purchaser in execution has purchased mortgaged property declared by the judgment specially executable,—if the person in possession claims by title under the mortgagor *created subsequent to the mortgage*—then, as he could only acquire the property subject to its mortgage liability, the moment the mortgage is proved the only question that can arise is, whether this liability has already been wiped out by payment of the debt, or otherwise; for the claimant-possessor acquired the land subject to the very liability of its being judicially sold to discharge the mortgage debt; and I think that as soon as the mortgage is proved or admitted the burden of proving that the incumbrance had been discharged rests on him (the person so claiming under the mortgagor) as fully as it would have rested on the debtor (under whom he claims) to prove payment of the debt. If this be proved, the execution sale is invalid as against him; if it be not proved, the execution sale remains valid. I think this simple point of proof might well be determined summarily in an incidental proceeding in the suit in which the execution issued, and on a simple motion by the purchaser for an order for delivery of possession; and I do not think that any legislation is necessary for this purpose. The Fiscals' Ordinance does not prevent it: it only does not provide for it, but that Ordinance does not repeal, but on the contrary, by section 84, ratifies the rules of the Roman-Dutch Law in all cases not expressly provided for by it.

(5) If the title claimed by the person found in possession be one derived from the mortgagor *prior to the date of the mortgage* (and free from fraud), or if it be one adverse to or *independent of the mortgagor*, and be established, then there is no room for any question whether the mortgage debt be still existing (unless he consented to the mortgage, in which case the burden of proving its discharge will fall on him). The existence of the debt cannot possibly concern his actual rights, for the mortgage could not affect his rights, does not affect this land if it was his, and was simply void; and so the judgment declaring the land executable, and the sale by the Fiscal under it, are also invalid as against him. The purchaser has himself to blame for his remissness in not having investigated the title before bidding at a Fiscal's sale, just as he would have done before purchasing at a private sale. A judicial sale may or may not wipe out all *incumbrances*, but it certainly cannot wipe out prior titles. I do not see how such a question of title to land could, or why it should be tried summarily. Title by virtue of the Fiscal's sale is a question which, if it concerns the creditor at all, does not, in a legal aspect, concern him *as mortgagee* but as purchaser, if he happens to have purchased at it. Had a stranger purchased, such stranger-purchaser would have had to pay the purchase money all the same, and that would have gone absolutely to the creditor, whether the purchaser kept or lost the land. If the mortgagee himself purchased, what he loses is his *purchase money*

(if any has been paid), or if, being also judgment-creditor, he took credit for the purchase money, what he loses is still what at that stage represents purchase money. And though he may naturally enough confound his double position, the result, if the stranger-possessor's title is established, merely shows that he lent his money on the mortgage without sufficiently investigating his debtor's title. The possessor may ultimately fail, and so the title of the mortgagor and of the purchaser in execution be established, but why the burden of proof should be shifted, or why my granting a mortgage over land should be held *primâ facie* evidence that the land is mine, or a judgment against me be any evidence against anybody else of anything whatever, whether of my indebtedness, or of my title, I cannot conceive.

(6) If the mortgage creditor chooses to make the stranger-possessor a party to the suit in which he seeks to make the property specially executable, of course the question of title will be solemnly fought out in the hypothecary action: but he is not likely to do so unless he contemplates becoming purchaser himself; and his omitting to do so is no reason why another man's right should be excluded from full and solemn investigation. I understand that it has lately been broached that a primary mortgagee when suing his debtor in the hypothecary action to have the mortgaged property declared specially executable, *must* sue any third party to whom it may have been transferred subsequent to the mortgage, or who may be found in possession. This is quite inaccurate. He is not bound to do so, and cannot well be supposed to have any knowledge of his debtor's dealings with the land subsequent to the date of his own hypothec. All that can be said is that when some one else than the mortgagor happens to have acquired either legal or natural possession of the land, and the creditor has not made such actual possessor a party to a suit for declaring the land executable, the judgment does not bind him, and the *purchaser in execution* after paying his purchase money or (what is the same thing, getting credit for it) may have to fight out his title with him, and may come to lose both the land and his money if the latter has been distributed among the creditors; for in a Fiscal's sale (differing from ordinary sales) there is no convenant for warranty of title. If however the mortgagee chooses to tackle a stranger-possessor in a hypothecary suit, or if the purchaser in execution finds himself opposed by one, and takes steps to eject him, law and reason combine in requiring that the person who tries to disturb the possessor should either show *his own right*, or show that the possessor is by acquiescence or otherwise bound by the sale. To do the former he must show the alleged mortgagor's better title, i.e. that the property was his at the date of the mortgage; and next he must show his own right under the alleged mortgagor by proving the execution of the mortgage, and showing that it is still subsisting by the cause of it (the debt) being still current. And I cannot agree with those who think that a judgment behind a man's back should be any evidence against him (*primâ facie* or otherwise) of any of these essential requisites—though it cannot be difficult to prove the execution of a mortgage; and that once established, its continuance will be easily presumed till its discharge is plainly proved, which in its turn should be easily done when it is the fact, because the law requires the discharge of an incumbrance on land to be notarial and registered.

(7) *Resumé of* (3—6).—Obstruction of persons who have purchased at a Fiscal's sale by parties in possession and claiming title by a right derived from the execution debtor *subsequent to seizure* has already, I think, a sufficiently summary remedy provided for it by section 74 of Ordinance 4 of 1867. Obstruction to execution-purchasers of mortgaged property by persons in possession who claim title by right derived from the mortgagor *subsequent to the mortgage*, can I think be adequately adjudicated on summarily by the existing law [paragraph (4)]. Obstruction by persons claiming the property in their independent right under any other title than those just mentioned is not, in my opinion, proper for summary determination or for legislation having that object. Finally, the special matter of the speedy realization of *mortgage*-creditor's judgments for debt, or of purchasers at execution sales of *mortgaged* property speedily getting the benefit of their purchases, is properly comprehended in, and ought to be treated as one with the matter of execution sales generally of judgment-debtors' property.

(8) To the category of matter concerning law and procedure generally, and not mortgages specially, belong the difficulties which occur consequent on debtors being dead or not to be found, which, however, will be considered in replying to the special questions on this subject. To the same category also belong the mischievous ambiguities created by the Fiscals' Ordinance in respect to the confirmation of sales in execution, and the granting of conveyances, and by the discordance between section 56 of that Ordinance and the form of transfer given in schedule J. These ambiguities greatly impede purchasers in execution from getting title and possession, and the last has given rise to some strangely irrational inferences. One of a variety of these is that the words "debtor's right, title, and interest" in property mean, in the case of a mortgagor, his "equity of redemption" (i.e. a right to buy back an ownership he has never parted with). When the Fiscal sells mortgaged property, what he sells is the *thing that was pledged as security*, and that certainly could not be an equity of redemption when there was no earlier mortgage subsisting. What is pledged as security (not transferred) to the creditor, or what is or should be sold by the Fiscal, is the *land* and the *dominium* or ownership of the land, a thing which remained with the debtor after he pledged it, and which it is the object of the judicial sale to transfer to another, in order that the creditor may be paid out of the price. And it is that ownership (*dominium*) which is the principal interest the debtor has or can have in the land down to the moment of the completion of the judical sale in execution.

Resumé of (8.) I certainly think there is need for legislative removal of the ambiguities and discordances created by the Fiscals' Ordinance. But I do not think it expedient that the law should be different in the respective cases of debts secured by mortgage and those not so secured, in respect to the procedure to be adopted where the debtors are either dead or not to be found. As to both classes of debts the law should be uniform.

Uncertainty as to whether Fiscal's Sale wipes out Hypothecs.

(9) There is great and very just cause of complaint of the uncertainty which has of late years been created as to the question whether a judicial sale wipes off all conventional mortgages. This question is one of the most important that can exist so far as regards the connection between law and the commercial interests of the Colony, and the certainty and security of title to property; and it happens also to involve a great variety of rights which constantly crop up for determination in very diverse kinds of litigation. The uncertainty is caused by circumstances which make it right that it should be set at rest by legislation. Among the secondary but important questions depending on the solution of the cardinal one, are the effect of a judicial sale at the instance of one of several mortgagees upon the rights of others;—the parties necessary to be joined in an action to enforce mortgage rights; and how necessary parties are to be got at;—whether a mortgagee's security continues when he does not draw the proceeds of a judicial sale promoted by another

creditor. All these uncertainties multiply as the different combinations of circumstances multiply. This matter will be dealt with generally in replying to questions XIV. and XV.

Realizing Mortgage Debts in Insolvency.

(10) There is also great uncertainty which urgently needs to be set at rest, and can, I think, only be satisfactorily settled by legislation, as to the right of a mortgagee to prove in insolvency for the balance remaining due to him after exhausting his security, and also as to the procedure which may and ought to be adopted by a mortgagee to realize his security when his debtor has been adjudicated insolvent. See answers to questions XX. and XXIII.

(11) All the points I have thus far adverted to are involved in the several detailed questions which follow, each of which I will endeavour to answer separately; and it is therefore unnecessary to give a further collective answer in this place to question II.

Means for facilitating recovery of Bond Debts.

Q. III. There is nothing either in the nature of mortgage debts or in the law of mortgage which makes recovery of that class of debts more difficult than other debts. The subject of amendment of the law in order to facilitate the recovery of *all* debts is, I presume, beyond the scope of the present Commission. The only suggestion I have to make in the matter will apply to *bond* debts generally, whether with or without mortgage, and that suggestion is taken from the Scotch Law, and nearly accords with a method of the Roman-Dutch Law when deeds contain a "*clause of voluntary condemnation*" as it is called (as to which reference may be made to Voet, 42, 1, 45), and is infinitely more efficacious than the English system of warrants of attorney to confess judgment. In Scotland almost every bond contains a clause whereby the debtor consents to registration of the deed in the books of Court for summary execution; and on simple registration of the deed and six days' notice to the debtor execution proceeds without any formal judgment. The debtor is not without remedy, as is it competent to him to apply to the ordinary Court, on cause shown, for a "suspension and interdict" of the execution, but he must give security for the debt, and the action then proceeds in the ordinary way. This process would enormously expedite the recovery of bond debts to which there is no reasonable defence. The Scotch Law has a similiar process for the summary recovery of debts due on bills of exchange and promissory notes. An objection will probably be raised on the ground of the risk of encouraging the forgery of bonds containing a consent to summary execution, but forgery is not one of the offences to which Sinhalese are peculiarly prone, and the danger, if it be one, would be easily limited by restricting the privilege to deeds attested by Notaries of character, specially licensed *ad hoc*, and by requiring the attestation clause to be made stringent in respect to the Notary's *personal* knowledge of the parties to the deed, and explanation to them of the effect of the clause. Of course the system does not apply to bonds for future advances, or for money payable on a condition which the creditor has to prove has accrued, but only to bonds and notes for *acknowledged unconditional and liquid debts.*

Mortgagee's right to proceeds sale of Mortgaged Property.

Q. III. As the right to claim the proceeds of the judicial sale of mortgaged property is the sum of the hypothecary right which the law gives every mortgagee in this country—and is the very use and function of a mortgage with us—this question seems to me tantamount to asking whether mortgage should be abolished, or, at least, whether the law of mortgage should be placed on some entirely different footing from what it is at present? and, seeing no other sound principle on which the law should be based, my answer is that every mortgagee should continue to have the right to claim the proceeds of *any judicial* sale of the hypothecated property. He has now, and in my opinion should continue to have, this right whether the judicial sale takes place at the instance of a primary or of an inferior mortgagee, or of an unsecured debtor. The Court apportions the fund among claimants in the order of the superiority of their several claims. What I have just stated has been our inveterate practice all the time I have known the country, and rests on the authority of the Roman-Dutch Law, as well as on sound reason. [See authorities cited in answer to *Q.* XIV. (3), &c.]

Giving Mortgagees possession by order of Court.

Q. V. (1) This question may be bracketed with *Q.* VIII. The first seems to contemplate mortgagees taking possession by the leave of the Court; and the other, allowing them to take possession without the authority of the Court.

(2) The Roman-Dutch Law expressly allows mortgages with possession by contract of parties, and I see no reason for infringing thereon; but it should remain as it is, a purely *contractual* right. No doubt it is very generally a pecuniary advantage to mortgagees to have possession, but it is an advantage very liable to abuse by them in their own interest, and the Courts are proportionately strict in holding them to account in the fiduciary relationship. To the rest of the question, I answer that I cannot conceive any circumstances under which, in the absence of contract, the Court should have power to eject the owner against his will and place his mortgagee or any other person in possession of his property, excepting those circumstances in which the law already permits this to be done. The less the Legislature meddles with what ought to be left to private contract, excepting for the purpose of protecting the weak, the better for justice.

(3) As to mortgagees being allowed to take possession against the will of the owner of the mortgaged property, and *without* the authority of the Court, and without contract to that effect, see my answer to Q. VIII.

Sales for nominal sums.—Upset Prices.

Q. VI. *and* XVII. These two questions may be bracketed and answered together.

(1) The propriety of a mortgagee proceeding against the other property of his debtor for what he may fail to realize by his security, and his right to do so, though mooted in question VI. are the special subjects of questions XIII. and XVIII.; and, therefore, though they would be conveniently and naturally dealt with immediately after the subject of sales for what are called "nominal" prices, I will answer them in their place in the paper of questions.

(2) Of course, when the Commission, adopting familiar parlance, speak of a "nominal" price, they do not use the term strictly, but mean a real and not a fictitious price, but one much below the fair value.

(3) The objection to the mortgaged property being judicially sold at a so-called nominal sum (free of hypothecs) is that if an outsider purchases it, the mortgagee is terribly damaged, it may be ruined, as well as the debtor; while if the mortgagee himself purchases it, he may gain a windfall by virtually exchanging his debt for property which may be fairly worth much more, while the debtor and his other creditors are

proportionately damaged. It is therefore very desirable if possible that property should realize a "*fair*" price, which however the market price of the moment frequently, and in Fiscals' sales generally, is not.

(4) As in every other case, before attempting to seek for the true remedy, we should endeavour to have a just perception of the cause or causes of the evil, and I think that the most potent cause is not far to seek, but lies in the uncertainty or misapprehensions of the *law* in respect to the effect of execution sales of mortgage property. That matter I will deal with presently, but will first clear the subject by adverting to other causes or supposed causes. One I have heard alleged is that persons are deterred from taking the trouble to attend sales by the knowledge that another person (generally the mortgagee) intends to bid up to a price beyond what they are prepared to bid. I will say at once that I have no faith in the reality of this popular fancy as an efficient cause for property not fetching its fair price, and that if there were capitalists at hand prepared to bid up to what they considered a "fair" price, and not deterred by very different considerations, they would not be deterred by *that* reason from attending or sending an agent to bid But if it be a real efficient cause, then it is one for which there is no remedy, at least none depending on legislation. Another commonly stated and much more likely cause, one which in fact we see in daily operation in sales of every kind, is the fact that a Fiscal's sale is a *forced* sale; the property is forced on the market when the market is from financial or other causes, stagnant, and buyers are limited, indifferent or wanting, and consequently the "market price" of the moment is not a "fair" price. The only remedy lies in keeping back the sale till the market improves. This may be practically accomplished by a *reserved price* being put on the property, and buying it in at that price; or, what comes to nearly the same thing, by exposing it at an *upset* or assessed price, when, if there are no bidders at the figure, the property is withdrawn from sale. But the importunity of judgment creditors or other exigencies may prevent this, and I apprehend that in the present state of the law, although there is nothing to prevent the Court from authorizing a reserved or upset price if the execution creditor consents, yet if he chooses to insist on an immediate and unreserved sale the Court cannot prevent it. I think that legislation ought to give the Court *power* to disregard the execution creditor's wishes in the matter on its being clearly shown that an immediate and unreserved sale would be grossly unfair to other interested parties—the judgment debtor and other creditors; but I also think that a Court should be very chary in exercising the power, and as a rule, should only do so when the judgment creditor is manifestly actuated only by the cupidity of obtaining an unconscionable bargain at an unjust sacrifice of other peoples' interests. For it is a delicate thing to meddle with the judgment creditor's interests when he is not actuated by dishonourable motives, and when his own financial position, perhaps his own solvency, may depend on his realizing what he can (even to his own sacrifice) from his own debtors. The legislature ought to give the Courts the power to keep back the sale till a better market springs up, either peremptorily or by the means of prescribing a reserved price or exposure at an upset price, but a Court should very carefully weigh all the circumstances before it exercises the power if any creditor opposes.

What the reserved price should be cannot be determined by any hard and fast rules, or by legislation (as seems to be assumed by question XVII.), nor can it be rightly determined by any exclusive regard to whether the execution creditor is a primary or a puisne mortgagee, or an unsecured creditor (as also seems to be assumed in that question), but must be determined by an equitable consideration in each particular case of *all* interests, and by a practical consideration of the present and probable future (near future) state of the market.

(5) Other causes for sales at so-called nominal prices may be the needless contraction of the market by the unsuitableness of the locality where the sale is held, and the want of sufficiently extended advertisement. Of course those interested should have the power of insisting on the obvious measures necessary to expand the dimensions of the market to a reasonable extent by advertisements and facilities to bidders.

(6) But in my opinion the most potent cause of a contracted market with its result of sales below fair value, and at all events the cause which most calls for the remedial interference of the legislature, is, as I have already indicated, uncertainty or misapprehension of what actually is the law on the question whether an execution sale, when not expressly purporting in the conveyance to be made subject to existing hypothecs, transfers the property as subject to these or not. Manifestly so long as people suppose or apprehend that they are buying land worth only £1,025 subject to a liability for a debt of £1,000, they will not bid more than £25 (or it may be the conventional "rupee") for it. If it were distinctly advertised that the land was exposed for sale and sold free of all liability for existing mortgages, and it was so stated in the transfer, or if it were well known to be the law that an execution sale wipes out all such liability when not expressly reserved by the deed of transfer, the land would at all events fetch the market value of the day (which however, as already indicated, is not always necessarily the "fair" and real value), provided the market be not needlessly restricted by insufficient advertisement or other causes Now, according to the Roman-Dutch Law an execution sale *does* wipe out all existing hypothecs, as I will show at length in my answer to question XIV.; and what is required is to remove all uncertainty as to this by a declaratory legislative enactment.

Parties to Hypothecary Actions.

Q. VII. This question is somewhat vague, but I presume it means to ask who should be made parties to an hypothecary action? and it will be desirable therefore to have a clear perception of what the function of an hypothecary action is. It lay against every detainer of mortgaged property; and its effect when successful was to give the defendant (whether the debtor or a third party) the choice of two things, viz., either to pay the mortgage debt, or to suffer the property to be made available for the pledge-right. (Mayrz section 166, C.) Voet XX., 4, section 1, "*Qua generaliter.*) With us however it has practically dwindled down to a supplementary prayer "that the mortgaged property be declared specially executable for the debt'—which is tacked on to the principal prayer for judgment for the debt sought against the debtor *personally*. Whatever may have been the formula formerly, now at all events with us it is quite unknown to have a prayer that a *third party possessor* should be adjudged in the alternative to pay the debt or else to suffer the property to be sold for it, except only perhaps in the case in which a debtor cannot be personally sued at all, and the successor in his general estate cannot be sued for the *entire* debt, as happens when the debtor has been adjudicated insolvent. In other cases the only thing ever contemplated now is that the property be made available in execution of the judgment debt pronounced against the *debtor*.

(2) Now, of late, a declaration that the mortgaged property be declared specially executable for the debt has been confounded with a "decree of sale," which it is not. That it is not, will more clearly appear if we consider first the case when the declaration is made in a suit (as is commonly the case) in which only the mortgage debtor is sued. As everybody knows, the personal judgment against him for the debt carries with it the right to a *subsequent* mandate or decree directing the sale of *all* his property, without respect to whether it is mortgaged or not,—such decree or judicial order, made on a subsequent special

motion being embodied in the act of Court called a "*writ of execution*," which contains these mandatory words, "seize and levy by sale," &c. Under that writ ALL the debtor's property is liable to seizure and sale, and manifestly therefore there is no occasion whatever for any special "decree for sale" of mortgaged property being tacked on to the personal judgment; nor has the declaration that it is specially executable any such function. Its whole and only function is that AFTER the property has been sold and the price been realized, the pledge-right operates, which is the right to a *special preference of payment* out of the price.

Take in the next place the case which has hitherto but rarely occurred in our practice, when some one other than the debtor being in possession, he is joined in the action in order that he may be bound by the declaration of the pledge-right;—even in that case the declaration is not a decree for sale, but is simply a declaration of the pledge-right and of the liability of the land to be sold in order that the creditor may be paid out of the proceeds, which declaration may or may not be followed by an order for sale embodied in a writ of execution, or rather in the order allowing the writ. I am careful to press this matter because in my experience there has been no such fruitful cause of confusion in our law as the use of inaccurate language, and especially the misapplication of phrases of English Law.

(3) The real use then of the hypothecary action—so far as the thing remains in our practice—generally is to bar any persons who may be parties thereto, and who may be found in possession of the mortgaged property, from afterwards disputing the creditor's right to have it sold in execution of his judgment: and this question may generally just as well be settled, and in our every day practice commonly is settled, in the form either of a "claim in execution" by a third party who claims ownership as against the title of the judgment debtor, or in the form of a subsequent suit by the purchaser in execution against the possesser, or *vice versâ*.

(4) These things being kept in view, the answer to the question, "Who *need* be joined in a suit by a mortgagee in the different cases put in question VII., in order duly to protect rights either of ownership or mortgage?" is simple and evident: and the exigencies (I may here observe) which exist in the practice of the Courts of England on the subject of joining parties have no rational application whatever here, because the whole nature of an English mortgage is entirely different from that of ours. The hypothecary action in its original form is virtually obsolete with us, except perhaps only in the case of insolvency, or others in which the debtor from any cause cannot be personally sued. The common judgment declaring property specially executable is (I apprehend) binding only on parties to it, and there is no principle which restricts such a declaratory judgment to suits in which the debtor is personally sued. Whether the creditor will cite parties in possession to answer a prayer for this declaratory judgment also, in a personal suit against the mortgagor for the debt, is a question merely of expediency, resting in the plaintiff's own discretion. If there is no risk apparent to him of his mortgage right being disputed by a third party, he will avoid the expense: if there is a risk of this, he may prefer to go on without citing the expected disputant, and have the property sold as his debtor's, leaving the purchaser to fight out the title;—or if he would save future trouble, and especially if he contemplates becoming himself the highest bidder and purchaser, he will probably judge it expedient to fight out the matter at the outset, and, in his suit for personal judgment against his debtor, cite the expected disputant to answer the prayer that the property be declared specially executable. These are mere matters of expediency for his own determination, and with which the Court has nothing to do until some person who was no party to the judgment comes before it. Nor do they require any legislative control

4. I will however now answer the different branches of the question categorically.

(*a*) *Action against mortgagor in possession and solvent.*—No one *need* be sued but the mortgagor: and there is in my opinion no occasion for altering the existing law as above stated.

(*b*) *Against mortgagor in possession and adjudicated insolvent.*—No personal action lies against the insolvent or his estate: he has no estate. The Insolvency Ordinance only permits the general estate to be affected by a debt proved in the insolvency proceedings in the special manner provided by the Ordinance; for to allow a writ on an ordinary judgment, obtained after the adjudication, to affect the general estate, would be a fraud on the creditors and on the policy of the insolvency law, which is the equal distribution of the estate among creditors. Moreover, having ceased to have any estate (it has vested by operation of law in the assignee) a writ to seize and levy of the *insolvent's* estate is vacuous. The hypothecary suit should be instituted against the assignee to whom the law has transferred the proprietorship (*dominium*) which till then belonged to the mortgagor (and not as in England to the mortgagee). It should conclude for a decree, (1) that the debt "*was*" due to plaintiff (or to plaintiff's successor) *by the insolvent* at the date of his being so adjudicated, and *is still owing* to the plaintiff (or his successor) (with interest or subsequent accessions, &c.):—and that the property is specially executable for it. The writ of execution thereon would be "Levy by seizure and if necessary by sale of the property [*not of the insolvent*, but] of the assignee of the insolvent estate of A. and B, limited to the land Z. (the property specially mortgaged) the sum of," &c. On the *seizure* it would be open to the assignee to pay the debt and preserve the land among the *bona* of the estate: if he did not, the *sale* would proceed, and the proceeds being brought into court in the usual way to the credit of the plaintiff's suit, it would be open to him (plaintiff) and other mortgage creditors, and to the assignee as representing unsecured creditors, to discuss their respective preferential rights, and divide the proceeds in the usual way.

But, generally, the assignee (in whom is the proprietorship) will sell the mortgaged property himself without waiting for a judgment and sale by the Fiscal. I apprehend that every sale by an assignee of an insolvent estate, if by public auction, is a judicial sale, and opens the same mode of realizing preferential claims on the proceeds if timeously advanced.

Although the assignee has not taken formal possession, he should nevertheless be sued as above set out, and expediency (but expediency only) will in most cases demand that third parties in possession and claiming title be also sued. The assignee should be sued because he has whatever rights of *dominium* the mortgagor had or professed to have; the others, because they assert dominion. The prayers, proof, judgment, and writ and subsequent procedure would be the same as when the assignee was in possession. The general principles laid down in paragraphs 3 and 4 as to citing third parties claimants or apprehended claimants apply.

I believe the above represents what would be the correct mode of applying the existing law. If there are doubts as to the legal practice (and I believe there are) I think they should be set at rest by legislation on the above basis. And the doubts respecting a mortgage creditor's right to proceed against

an insolvent's general estate for a deficit after realizing his security (the subject of another Question, which I will answer in its order) should be at the same time legislatively resolved.

(c) *Against heirs or legal representatives of mortgagor.*—Their case follows that of the mortgagor: the variation is only a nominal one; and the general principles of representation applicable to *all* actions apply here, and should remain identical.

(d) *Against third parties in possession by purchase or devise.*—I think the case has already been sufficiently dealt with in paragraphs 3 and 4 *supra*.

(e) *Against mortgagor when no one is in possession.*—This is not, I should think, a very common case. Legal possession is not to be confounded with physical occupancy. But, so far as the case need be considered, what I will say in the next paragraph will probably apply equally to this case, which is that of persons who have either ceased to exist, or who (or whose representatives) are not known, or are "not to be found."

(f) Action against a *mortgagor absent from the Island, and having no one here representing him.* Every action must of necessity have a defendant: no right can be barred or affected unless there be a living person to defend that right and cited to defend it. (*Cela va sans dire.*) And it makes no difference whether the action be *in personam* or *in rem.* Every system of law has provided for "constructive" notice when actual notice cannot be given, and presumes actual notice in some cases in which in lieu of personal service other kinds of service are allowed to be substituted. The real question then is, what kind of constructive notice or presumption of actual service of a citation should be allowed in the cases specified? Now, it is to be remembered that the object of all constructive notices or substitutions for personal service is not to benefit a creditor by a fiction and sham, but (if jurisdiction has been founded) to accomplish the most likely means of information to a defendant whose address is not known, or who cannot be reached, that the circumstances admit of, and also a reasonable time to appear and defend. And this is usually done by some form of public advertisement—(formerly by proclamation at Kirk and Market, of which his friends were supposed likely to hear, and he himself through them)—when no more direct means is possible. But every mode of edictile citation is necessarily very feeble, and apt to dwindle to a form. And therefore I think that while the law should (as it already does) prescribe some form of it, it matters very little what that form is. But what is really required in the interests of justice is that the Courts, while they in every case adhere to what is prescribed, should in addition be satisfied that full and exact inquiries have been made through a defendant's acquaintances, or persons with whom he has had former business relations, to ascertain his present address or that of his relations or business connections, and should then appoint such mode of notice or citation in substitution of personal citation as, on a serious and well-considered view of the circumstances, it considers just, allowing reasonable time, calculated not on the plaintiff's exigency, but on the exigencies of probable information to the defendant. No doubt all this will delay the creditor a longer or shorter time (in the case of absent European mortgagors not generally long), but if for long, there will generally be found to have been a certain degree of laches on the part of the plaintiff: while, if a debtor has absconded suddenly without leaving an address behind him, and is notoriously insolvent, a Court of justice will not overlook the measure of blame attributable to the defendant himself, in estimating the extent of the inquiries to be made, the probability of inquiries for him being futile, or the time proper to be allowed him.

(2) There is another mode by which the interests of parties may be safeguarded in the case of an absent mortgagor, which I will have occasion also to mention under questions XXIV. and XXV., namely, that the Courts of Ceylon, on the application of an interested party, and on good cause, have power under the Roman-Dutch Law to appoint "curators" to the estates of absent persons, to vacant inheritances, and on all other necessary occasions. These curators may with leave of the Court sue and be sued.

Giving Mortgagees power to take possession without leave of Court.

Q. VIII. This question should be properly bracketed with Q. V.

I am not clear whether this question means whether it would be advantageous in the interest of *right and justice*, or in the interest of the *mortgagee himself*, that he should be allowed to take possession without the leave of either the Court or the owner of the property in case of the debtor's default or breach of covenant. If the latter is meant, my reply is that it no doubt would be advantageous to him, provided he was very careful to keep on the safe side of the censures of the law, and to draw the line between his own interests and those of the owner of the property just where the Courts would draw it. But if the interests of right and justice be in question, I consider that to let a mortgagee be judge in his own cause to decide whether a breach of covenant has been committed, and to let him be himself sheriff to execute his own sentence, would be utterly incompatible with these in probably every case. This kind of *missio in possessionem* was a very primitive practice under the old Roman Law in certain cases, but experience of human nature taught the necessity for the law appointing its own disinterested officers subject to its own control as "curators." I have already said in answer to question V. that I cannot conceive any circumstances in which, in the absence of contract, the Court should have the power to eject the owner against his will, and place his mortgagee or any other person in possession of his property, excepting those circumstances in which the law already allows this to be done. And I think it would be simply monstrous to give such a power to the mortgagee himself, in the absence of express contract, without the leave of the Court. Let the right to possession remain as it is now, a matter of contract: a contract which a Court of equity will always scrutinise and control somewhat jealously.

Power of sale without leave of Court.

Q. IX. To give a mortgagee the power of sale of the mortgaged property without the leave of the Court would be to revert to the primitive Law of Rome in its barbarous days, and to give a power which it was found necessary to abolish and make illegal by the Law of Holland even when the terms of contract between the parties provided for it. I think that to give such a power would be most unsafe, and without any necessity, and that there can be no safeguard against the wrong that may be done by a person acting as judge in his own cause to decide whether the condition on which the power of sale was to be exercised had happened—except this safeguard of preventing it altogether, and restricting the exercise of the functions for which Courts exist, to the courts alone.

Relative Rights of different Mortgagees.

Q X. With respect to the question how the relative rights of primary and subsequent mortgagees can be best protected, I imagine that it is based on the erroneous supposition that while an execution sale at the instance of a *primary* mortgagee wipes off all inferior incumbrances, a sale by an *inferior* mortgagee does not wipe off prior incumbrances; and so (as it has been put to me) that an execution-sale behind the back of a secondary mortgagee extinguishes the right of the latter. But by the Roman-Dutch Law a sale by a primary does *not* extinguish the "right" of a secondary mortgagee, and a sale by any mortgagee wipes out *all* "incumbrances," and leaves no mortgagee (primary or inferior) any recourse except against the *price*, which comes in place of the subject mortgaged. It was different by Roman Law (*Jus Civile*) which I am afraid has been hastily confounded with the Modern Roman Law (as it is called) and Law of Holland. The "right" of *any* mortgagee is simply a right, according to his order of superiority or preference, to the proceeds of the execution sale. Cfr Voet XX., 1, 13 (at the words "Aut nisi...quo tamen casu"; Ibid XX., 4 § 35, at the words "Sed cum;" and XX., 5 § 11, and XLII., 5 § 3. All these authorities show plainly enough that though it was very different by the JUS CIVILE, by the Law of Holland a "creditor posterior, invito priore, recte desideret pignoris distractionem"; that the "pignoris pretium succedit in locum rei"; that the only right of a mortgage creditor after sale, and the right of *every* mortgage creditor (whatever may be his order or priority) is a right "de protognascia in pignoris pretio disputare"; and Voet XX., 5, 11, is in its very words an answer to the question.

(2) If it be apprehended that there is a risk of any particular mortgagee's right in the *price* or proceeds sale, or in the division thereof according to his particular order of preference, being imperilled by his ignorance of the sale and of the incidental proceeding for division of the proceeds, it does not seem to me that the remedy lies in requiring the plaintiff, whether a mortgage creditor or an unsecured one, to make all mortgagees parties to the action against his debtor. If he be either a primary mortgagee or an unsecured creditor, it is likely he may never have heard of them. Every judicial sale (of any importance) is only made after public advertisement, and the mortgagees in question are in no worse a position as to notice than all creditors who are entitled to claim in an insolvency suit, and who have no other statutory notice of the insolvency proceedings than an advertisement in the local *Government Gazette*, a journal not enjoying a particularly extensive circulation.

Tacking of Mortgages.

Q. XI. I do not think it expedient that a puisne mortgagee should have the right of tacking on to his mortgage the amount of any previous mortgage he pays off. If the primary mortgagee, A., consents to the arrangement, there is nothing to prevent his assigning his rights to the puisne mortgagee, B.; but if he is unwilling to do so, it seems very unjust that a stranger should have the power of ousting A. against his will out of a good and safe investment for his capital, which he, it may be not without much trouble as well as exercise of prudence, has found for himself, and of stepping into it with little or no trouble on his (B.'s own part. And there is no necessity for it in order to protect the puisne mortgagee's interest; for if he wishes to get back the money he has lent on the secondary mortgage, and the debtor cannot pay it, he has the power of bringing the property to a judicial sale and ranking in his due order on the proceeds, and of bidding for it at the auction if he desires to purchase it.

There can of course be no objection to tacking of mortgages by *consent* of parties.

Procedure for sale.

Q. XII. I have not seen or heard any suggestions which, in my opinion, would improve upon the present procedure, so far as judicial action is concerned, in bringing mortgaged property to sale. But there may probably be matters in the procedure by the Fiscal in such details as advertisement, place of sale, &c., which are susceptible of improvement, and particularly matter respecting publicity and notice to all parties interested.

(2) As for sale under a contractual power, without the control of the Court, I am entirely opposed to such a thing, not because it would be a change on the existing law, but because the provision of the Law of Holland on the subject is based on practical wisdom. See my answer to question IX.

Limitation of Debtor's liability to Mortgage security.

Q. XIII. I do not think it desirable to enact that, unless specially contracted for, a mortgagee shall have no recourse except against the property specially hypothecated to him The suggestion has no doubt been the outcome of the terrible depreciation in the value of coffee estates which has overtaken this country, and the question is, whether the mortgagee who finds a once valuable security now worth much less than he lent on it, or the debtor and his unsecured creditors shall bear, or share, the loss by this depreciation? The particular depreciation referred to has been caused by what we may call "providential" causes, which are much treated of in the Roman Law, and of which the common illustrations there given are unwonted sterility from attacks of insects or blight, the ravages of tempest, and incursion of enemies, &c., &c., and in the same category I presume we might any day have to add depreciation in the value of produce caused by general over-production. To a *tenant* the law allowed relief, but not to a mortgagor. The principle applicable to the *depreciation* of mortgaged property is the very same as applies to the case of its *destruction*; and "res perit domino." The "risk" or "periculum" (to use the technical expression) in all cases of *vis major* and loss without fault is with the owner, and this law is a rational one.

(2) But I do not merely object to the suggested innovation on the ground that it would entirely subvert the maxim that property perishes at the risk of the owner, so that if a mortgaged house were accidentally burnt down, the innovation would make the loss fall, to the extent at least of the loan, not on the owner but on a creditor. For I also think that to make the mortgage creditor bear or share this depreciation—(not merely in fact as often happens, but by law as well), by extinguishing his right of recourse against his debtor's other property would be very inexpedient in the interest both of debtors themselves and of morality. It would lessen the owner's interest in keeping up the value of his mortgaged property. It would tempt to frauds and close shaving. It would be injurious in its tendencies not only to creditors, but to the whole borrowing portion of the community and to trade, for capitalists instead of being contented as now with security bearing a moderate ratio to the amount of the loan (by lending up to say ½ or ⅔ of the value of the security) would insist on a special mortgage of property of much greater value, or of all the debtor could give or that could be squeezed into a deed. And rationally, for what is the reason for the proposed provision if it be not that experience has shown the risk of depending in certain classes of speculative securities such as coffee estates, exclusively on the accustomed ratio of loan to the market value of

securities, without regard to the borrower's other present or future credits. If capitalists consent to a provision which will lose them the subsidiary securities they now have (in the borrower's present and future unmortgaged property) they will protect themselves by demanding all the greater mortgage security. Again, suppose I have pledged my watch for £5 (a loan by which I may have very greatly benefited) and the watch is destroyed or lost without fault, would it be an honest thing for me to laugh at the man who lent me the money and say to him that the law allowed me to tell him to whistle for it? or would I not as an honest man pay off the debt to the penny whenever I could; and if I would not, should not the law compel me to be honest? If we are not (as I presume no one wishes) to undermine men's principles of honesty, the law should be that if the parties intend that the debtor shall not be always liable to repay what he has borrowed, but that the creditor in any particular case shall look for his security solely to the property mortgaged to him, and not to the borrower's other present or future credits, and sense of honesty —*that* arrangement should be expressly contracted for, as no doubt it has often been tacitly understood by parties, especially in avowedly speculative investments where the main consideration to the creditor for the loan was mercantile and manufacturing profits in connexion with the produce of an estate, or where the lender and borrower were substantially partners or co-speculators in an agricultural speculation. But these are the exceptions, and not the cases a general law is to regard. There have no doubt been cases of individual hardship which have suggested the proposed enactment, cases in which the mortgaged property had fetched a "nominal" sum (which means a sum much *beneath its real value*) and the debtor been grossly injured and his creditor been ultimately grossly enriched by the business; but these are the exceptions, and the right remedy lies in as far as possible preventing sales for "nominal" sums or for sums much below the real value. Whether this remedy is one for legislation in law, or legislation in procedure, or for private pre-contract between parties, or for what, need not be considered in connection with the question immediately being answered, but belongs to Question VI.

(3) A mortgage creditor proving in insolvency proceedings for the difference between his debt and what is realized by the sale of the security is quite another matter. I think that this ought not to be allowed, and that it is not allowable under existing law. See my answer to Questions XX. and XXIII. A certificate of discharge in insolvency would, of course, extinguish all further claims by the mortgagee.

(4) It is not of infrequent occurrence that a man makes a friend or relation a considerable loan deliberately and intentionally on very little mortgage security, expressly not to hamper him in business, and willing that the loan should virtually be mostly on the personal security and honour of the borrower. Is he to be defrauded by the aid of the law *because of his very kindness?* I do not see how you could logically stop short of enacting that in no case of a debt incurred on personal security shall the creditor have any recourse against the debtor's property or person. The principle seems the same, and this the *reductio ad absurdum.*

Liability of Property to pre-existing Hypothecs after sale in execution.

Q. XIV. *and* XV. (1) Each of these questions draws distinctions in special cases, and they cannot be answered categorically (as I would answer them) by a simple negative to the first, and a simple affirmative to the second, without probably leading to an entire misconstruction of my opinion on the all-important general question, whether a judicial sale of property in execution of any and every creditors' judgment wipes off (or should wipe off) all pre-existing hypothecs on the property. And it is impossible to deal with this question in a few words.

(2) In these two questions (the replies to which may be conveniently amalgamated) it is in effect asked, whether the judicial sale of mortgaged property—sold in execution of a judgment debt—should not pass it to the buyer *with* (i.e., subject to) all pre-existing hypothecs on it, if the sale be at the instance of an unsecured creditor: but *free* of all hypothecs inferior to that of a judgment mortgage-creditor who causes a sale on his writ. In other words, the suggestion is that in all judicial sales at the instance of creditors, *all* (conventional?) hypothecs [how about tacit legal ones?] should continue to affect the land after it is so sold, excepting when the pursuing creditor has a special mortgage over it, and that, in that case, mortgages inferior to his, *and these only*, should be deemed wiped out by the sale. It is not quite clear, but I presume the suggestion contemplates that the pursuing creditor's mortgage and any superior to his should continue to affect the land, which would be liable to be again and again brought to future judicial sales, for any deficiency between the price realized and the amount of the debts for which these were given. If this be meant, then the unfortunates, the inferior mortgagees, who are picked out to have their mortgages wiped out, will, without their consent, probably lose both their money and their security, a risk they no doubt run now, but they will be placed in quite a different and worse legal position than their more fortunate fellow-mortgagees, who are to be preserved in their security for any shortcoming in their money. Why such a distinction should be made, or rather on what principal of justice it would rest, I cannot imagine. But it is not very clear whether it is proposed that the superior mortgagees should be obliged to take the proceeds of the sale (*pro tanto*), or not be allowed to touch them, or have an election, and, if so, on what terms. Yet these are necessary conditions which must affect the answer to the question. Nor does it appear what is to happen if there are several mortgage creditors having judgments, and what if only one or more of them have taken out writs. It is manifest, however, that whatever the suggestion means, this much at all events would certainly result, viz., that there would be a remarkable want of uniformity in the effects of judicial sales in different cases, and in respect of the rights of different creditors. I think also a considerable amount of confusion would result and uncertainty of rights. Tacit legal hypothecs are altogether left out of view.

Existing Law of the subject

(3) Before contemplating legislation on any subject, it is well to note how the law already stands, irrespective of any sporadic erroneous judicial interpretations that may in particular cases have run counter to it. The existing law on this subject (I mean of course the Dutch Law) possesses two notably commendable features. One of these is uniformity and simplicity; the other is that it flows naturally and consistently and of logical necessity from the principle on which the R. D. hypothec depends, namely, that it is *not* a transfer of proprietorship, but a simple security for a debt, giving the creditor a right to have the pledged subject judicially sold in order that he may be paid from the proceeds of the sale so far as these extend. For the Law of Holland makes no complex distinctions, or distinctions of any kind, between the effect of judicial sales in execution at the instance of judgment creditors holding mortgages, and of judgment creditors not holding mortgages; nor any distinction in respect to the rights of different creditors, except the one distinction of relative priority in the proceeds of sale according to the superiority of their respective mortgage rights. And with unvarying and logical uniformity it wipes off *all* hypothecs; so that the emphatic words

of the French Jurist may be applied, "*A l'egard des droits d'hypotheques, c'est une règle générale, et qui "ne souffre point d'exception, que le décret les purge tous, faute d'opposition.*" (Pothier, Traitè de la Procedure Civile, Part IV., Chapter II., Section V., Art. XI., § 7). And to quote our own standard authority, Voet:—"Facto tertii impeditur venditio ..... pro parte, si ..... jus hypothecæ sibi vindicat; "*ut in pretio rei distribuendo sui ratio habeatur;*" that is is-to say, "the judicial sale may be opposed by a "third party who asserts a hypothecary right, *but only with the object that account may be taken of his "claim in the distribution of the purchase money.*" Voet 42, 5, 3: "Sed cum hodiernis moribus ..... "pretium auctoritate publicâ surrogetur in locum rei, magis est ut emptores addictione fideque publica "muniti inquietari nequeant per eos qui se in pignore potiores esse contendunt;" i.e., "as now the price by "judicial authority takes the place of the property hypothecated, purchasers cannot be disturbed by creditors "whose hypothecs were superior to that of the creditor who promoted the sale"; (although by the Roman Law it was different, as such creditors retained by it their mortgage rights in the mortgaged property notwithstanding the sale at the instance of an inferior mortgagee), Voet 20, 5, 12. And see the other authorities cited in question X. (1) and Voet XX. 4, 10 et seq. It is noticeable that a number of the ideas implied in the questions of the Mortgage Commission are identical with the ancient Roman Law, to the principles of which England (probably alone in Europe) has adhered. By the Roman Law puisne mortgagees could not by their sales affect the position of the primary mortgagee. He *alone* had the right of selling the property as and when it suited him, and a sale regularly made by him (no *judicial* sale or decree was necessary) put an end to every other hypothec with which the property was burdened. Maynz, § 164: "A sale validly made in virtue of a right of hypothec extinguished not only the right of the creditor who "made the sale, but at the same moment made absolutely void every posterior hypothec." Maynz, 168, at note 35. If the proceeds exhausted his claim, the inferior mortgagees lost everything—debt and security. But to ameliorate their position an inferior mortgagee had the right, without the consent of the primary mortgagee, of paying off his or any other mortgage, and tacking the amount on to his own. Maynz, § 164. No need exists for this tacking under the Law of Holland: for any puisne mortgagee can bring the security to the hammer.

(4) In true consistency with and application of the theory of the hypothec of the Law of Holland, the proceeds of the judicial sale in execution (whatever creditor may have promoted it) become the fund from which all mortgage creditors, and after them other creditors, are to be paid (Voet XX., 5, 12, and XLII., 5, 3, *cit. sup.*). It has taken the place of the security—it is in fact the security realized—and the ownership of the land (the *quondam* security) therefore of logical necessity passes to its purchaser free of all liability to be again sold for the old hypothecs.

(5) A private sale by the debtor or by his authority would neither by the ancient law nor our modern law have this effect of wiping off all or any hypothecs; but the very nature of a judicial sale in execution on any creditor's writ indicates that it is a process whereby a debtor's effects are sold in detail (*distracta*) in order that the proceeds may be paid to his creditors, and the sole function of a hypothec is to create a preferential right in these proceeds when about to be distributed to creditors: and by such "distraction" its function is at an end. An out-and-out sale to purchasers, discharged of all pre-existing hypothecs not expressly reserved, is in the very nature of the thing the normal effect of every sale in execution, whether of moveables or land; but it would be altogether inconsistent with the nature of an hypothec if a private sale by the debtor (or by his authority) could have the same effect.

(6) I have considered above the effect of the sale on the landed (or any other) *security*. The security, the hypothec over the land, is clean gone: it has served its function: it is *functus et defunctus*. And the mortgage creditor has now attained the very purpose of his hypothec, which purpose is "in order that *from the proceeds of the sale* he may be paid his debt,"—i.e., may have a preferential right against the proceeds. We will look in the next place to the effect of the sale as regards the liability of these proceeds and creditor's rights therein. It follows as logically and necessarily as before (*a*) that creditors rank on these in the order of their respective rights—viz., first, legally privileged creditors; next, ordinary hypothecary creditors in their order of time; and next, unsecured creditors: all according to rules laid down in detail. And (*b*) that no hypothecary creditor of any grade can have any election whether he will go against the proceeds or retain his security on the land. If he neglects to assert his hypothec and preferential right in the proceeds till after the Court has distributed them among the creditors, he loses the only peculiar right he had; that is to say, loses it except in certain exceptional and well-defined cases for which the rules of Dutch Practice provided, and for which it would have been well if our wretched Fiscals' Ordinance had provided, and for which legislation as to *procedure* ought now to provide.

Opinion on Suggestions contained in Questions XIV. *and* XV.

(7) My opinion on questions XIV. and XV. must now be very plain. Not only would it induce great confusion as well as invidiousness to make the distinctions which these questions evidently suggest, but to enact that any sale in execution for debt should only pass the property to the purchaser in execution subject to hypothec for any pre-existing debt, would both be inconsistent with the ordinary functions and effects of sales in execution against the property of debtors, and what purchasers acquire at such sales, but it would subvert the whole of our law of mortgage (or rather hypothec), and be in conflict with the very principle on which it is based. Let this result be clearly perceived; and then let it be determined whether an entirely different law of mortgage based on different principles shall be devised. But if that be contemplated, let it also be remembered how delicate and dangerous a thing it will be to do so in the case of a branch of law whose ramifications and principles extend through and are interdependent with the whole range of the law of "things." If an Englishman trades or buys or invests in vineyards or farms in France or in Scotland he must do so under French Law or Scotch Law, as the case may be, whatever may be his English legal prejudices or associations, and he ought to do the same in Ceylon. Our law of mortgage and that of France (and I believe of nearly all the rest of Europe except England) stands on the same general principle. If our judges have misunderstood its principles or erred in their application by erroneous decisions, that is the very case in which the English Legislature has frequently passed Declaratory Statutes to correct the errors of judges and restore the law of the realm. And if our law of mortgage needs to be either ascertained or amended, in any matters of detail, care should be taken that any legislation for the purpose, whether declaratory or amending, follows the principles of our law and does not conflict with these, and so breed hopeless confusion.

(8) One other short remark on this part of the subject. If the execution creditor, and execution debtor, and all hypothecary creditors and others interested, all consent *in foro* to mortgaged land being judicially sold *subject* to the continuance or rather to the re-creation of any particular mortgage or mortgages, I see no reason why such a matter of private contract should not be allowed and upheld as against

the consenting parties, provided all the notice and publicity and formalities required for judicial sales in execution are adhered to.

Rights of Mortgagees on proceeds Sale. Summary proof of Claims.

Q. XVI. Yes ; I certainly think so. What is here proposed accords with the Roman-Dutch Law (Voet, 20, 4, 10), and always has been the practice in the country, as every ancient Secretary of every District Court in the Island could tell. *All* incumbrancers, whatever their rank, and on whatever creditor's writ the property is judicially sold, are in the daily practice of being paid their secured debts out of the proceeds of the sale, according to their respective priorities, and, so far as the fund extends, on mere production of their bonds and summary proof. There may of course sometimes arise disputes which cannot be justly determined "summarily," but which can nevertheless generally be determined in the subsidiary suit or proceeding for disposal of claims of concurrence or precurrence. [See answer to question XIX.]

Upset Prices.

Q. XVII. See answer to question VI.

Extinction of Debt due to a Mortgagee by his purchase of the mortgaged property.

Q. XVIII. I (perhaps erroneously) suspect that underneath this question and the next lurks the fallacious notions that a judicial sale in execution of mortgaged property is a sale subject to the mortgage debt, just as a private sale would be ; and that when a primary mortgagee purchases at the sale he takes it *as mortgagee*, taking the land over (as it were) for his debt to the extent at all events of his bid. It might be a natural development of that idea that he should take it over for the whole debt whatever the amount of that may have been. But it is altogether unsound to suppose that in any legal sense he takes the land *as mortgagee*. He takes it merely as an outside bidder who happens to have made the highest bid at a public sale. And in this sound view I do not know why any distinction should be made between a judicial sale at the instance of a secured creditor and one at the instance of an unsecured creditor ; and I do not think that an encumbrancer's purchase of the property should extinguish the *debt* to him wholly, if the property be knocked down to him for less than the debt, and he has no other security. Of course the purchase by any mortgagee operates a merger of the security in the ownership ; but by our law it works no merger of the debt. I think, however, that it deserves consideration whether, if he has other security, he should not be required either to bring it into hotchpot (so to speak), or submit to have its value assessed and deducted from the amount he would otherwise rank perferentially for in the proceeds of the execution sale in question. In the interests of *other creditors*, we might legislate so as to affect his other special securities ; but as between him and his debtor, I see no good reason why the latter should be absolved from any part of his *debt to him*. [See answer to question XIII.] [And also see what I have said about proceedings in insolvency under questions XX. and XXIII.]

Necessity for Mortgage decree to protect Mortgagee's rights.

Q. XIX. If the property has been actually sold on *any* creditor's writ, I think (and it is the practice) that no mortgage decree should be required in order to give a mortgage creditor his preferential right on the proceeds of the sale, and that he should be allowed to prove his mortgage in the subsidiary proceedings for determining claims of concurrence and precurrence on the day fixed for public disposal of all these claims. [See my answer to question XVI.] If the property has been only *seized* but not yet *sold*, I can see neither need nor propriety for a special mortgagee, whether he has a mortgage decree or not, being allowed to interfere with the sale at the instance of the seizing creditor, further than to see that there is due publication thereof and due means taken to secure a good market. Under no circumstances should a mortgagee be allowed to have the mortgaged property sold otherwise than judicially.

Competition between Mortgagee and unsecured Creditors in the general property of Debtor.

Q. XX. In this question unsecured creditors seem to be spoken of as a collective body, and I think it is only in disputes with them as such a body that the point is likely to arise. I hardly see how it could be discussed by an individual creditor outside of a general concursus of creditors in insolvency. However, as a debtor's general property and credits can only be considered "*subsidiary*" to the special security which he mortgaged—and there is every analogy between the former and property bound by "general" mortgage, *vis-a-vis* of property specially bound—I think there is no good reason to doubt that unsecured creditors have the right to compel a mortgage creditor to discuss first his special mortgage, when a different order of proceeding would be to their prejudice. [See Voet XX., 1,15.]

In Insolvency.

(2) I think that a mortgagee who has realized his security as far as it will go, cannot prove in insolvency for the balance remaining due to him, which the security has failed to cover. The policy of the insolvency law being the equal distribution of the debtor's estate, nobody can prove in insolvency except on the condition of sharing his securities with all other creditors. Now if D. owes M. Rs. 1,000, for which he has given M. a mortgage security, he has given M. a lump security for a lump debt, for the whole and every fraction of it ; inadequate it may perhaps turn out, but still security for the whole debt and for every part of the whole debt. If on the pledge being judicially sold it only realizes Rs. 600, what has happened is this : M. has recovered part of the secured debt, namely, Rs. 600, for which he held security, but has failed to recover Rs. 400, *for which he also held security* ; for it is part of the lump sum for which security was given and was meant to be secured by the security ; and as he therefore held security for the deficient Rs. 400, he cannot be allowed to prove for it without bringing into hotchpot all the security he held or holds for it. If the security was realized before D. became insolvent, the matter may be more doubtful, both as a question of actual law and of sound policy.

Discussion of Principal before Surety.

Q. XXI. The law already is that in the absence of express contract to the contrary a surety may insist on the principal debtor's property being discussed before the creditor discusses the sureties, and it has been so decided by the Supreme Court in the time of Creasy C. J.

Tacit Assignment to Surety of Creditor's Hypothecs.

Q. XXII. I think it very questionable whether it would be desirable that the law should be as suggested. If the surety has not procured a formal assignment of the special mortgage, the effect of what

is proposed would be to create in his favour a tacit special mortgage which the public might never know of (not being registered) till years after, when the surety might seek to enforce it for purposes more or less prejudicial to the interests of the principal debtor's creditors, or even of purchasers from him with no knowledge of the *quondam* suretyship and other circumstances. Tacit and secret mortgages are not to be encouraged.

Case of Mortgagor being adjudicated Insolvent.

Q. XXIII. There is much uncertainty as to the realization of securities where the debtor has been adjudicated insolvent, owing, I believe, to those who adapted our Insolvency Ordinance almost verbatim from the English statute having overlooked the fundamental difference between the nature of an English mortgage, and the title it conveys, from our hypothec. And I think the whole subject demands legislation. My own view is that the proprietorship of the mortgaged property (which the mortgagor has with us) does and should pass to the assignee of the insolvent estate, but subject to the hypothecary right already described. The assignee should sell the mortgaged property (with the rest of the insolvent's effects) subject to the mortgagee's claim over the proceeds: but if these are not sufficient to satisfy the mortgage debt, the mortgagee should have no claim on the insolvent estate for the difference, unless previous to the sale he has "proved" like other creditors for his mortgage debt, and given up the whole of his security to be shared with all other creditors. Indeed proving for the secured debt or any part of it is (or should be declared to be) an *ipso facto* renunciation of the security. [See my answer to Question XX (2).]

Protection of security on mortgagor's debt pending a hereditas jacens.

Q XXIV. The Courts of Ceylon have power under the Roman-Dutch Law (as those of Scotland have under the Scotch Law) on the application of an interested party to appoint "curators" of vacant inheritances, of the estates of absent persons, and on all other necessary occasions. The real difficulty touched by the question is not a legal, but a financial one. And it is for parties interested in the upkeep of tea estates and the like, and the harvesting of their produce, to suggest according to the exigencies and feasibilities of each case, to the curator, or to the Court, or for the creditor to obtain the sanction of the Court to such measures as may be to the interest of all parties probably interested, whether present or absent.

(2) With respect to an *action in rem* to protect or realize a mortgage security, see answer to Question VII (4) (*e*).

Case of Mortgage property abandoned. Constructive citation of Defendant.

Q. XXV (1) The mere *issuing*, or even executing an attachment would hardly realize a security without something more; so there must be something wanting in the question. Probably what it means to deal with is the mode of procedure to be adopted for citing a defendant who is reported "not to be found." But that cannot depend on the condition of the land mortgaged for a debt. With respect to the procedure for protecting or realizing a mortgage security by action *in rem* when no one is found in possession. [See answer to Question VII. (4) *e*. and *f*.]

(2.) What facts would amount to an owner having "abandoned" land, if the abandonment of title and ownership is meant, or would be evidence of such an abandonment, is a serious question; but I do not see that the circumstances either that the land itself has been abandoned, or only that the *cultivation* of it has been abandoned for the time, or is said to be abandoned partly or wholly, afford any reason for dispensing with the ordinary mode of service of process (personally or substitutionary) which the law may require in the case of all defendants whether they be mortgage debtors or not, lest they be involuntarily and unjustly condemned behind their backs. The object of all constructive notices or substitutions for personal service is—as I have had occasion to mention before—not to benefit a creditor by a fiction and sham, but (if jurisdiction has been founded) to accomplish the most probable means of information to a defendant whose address is not known or who cannot be reached, that the circumstances admit of, and to give him a reasonable opportunity to appear and defend. And in certain cases this is done by some form of *public* advertisement (as formerly by proclamation at Kirk and market, of which his friends were likely to hear, and so he himself through them) when no more direct means is possible. But to stick up a piece of paper in a jungle thicket on an abandoned land, as is proposed, is hardly consistent with this object. The prescribed form of citation or notice of action, when an alleged debtor cannot be found and his address is unknown, ought to be the same in all cases, leaving it to the Courts to require such further mode of substitution for personal service, in addition to the citation prescribed by Rules of Procedure, as the circumstances of each case may seem to require after proper enquiry. I suspect that question XXV. implies some confusion between attachments *ad fundandam jurisdictionem* and constructive notice of action to absent defendants.

Effect of registration of Mortgages.

Q. XXVI. Before this question can be answered, it must be determined whether registration is to be made a formality essential to the constitution and validity of titles and incumbrances, or merely to give priority of title according to the date of registration. If the former, priority of registration must necessarily import superiority of title when derived from a common vendor, mortgagor, &c., in every case. If the latter principle be retained, the *object* of *such* registration of incumbrances must be attended to. This is that all the world may with facility ascertain whether a land which one proposes to acquire an interest in is incumbered, and that he may not hereafter be "surprised" by secret mortgages, trusts, &c., being sprung on this title. If he neglects to search the register of incumbrances it is his own fault, and so it is right that he should be affected by the constructive notice to all the world which (according to what I think the sounder view) the registration (for purposes of priority) gives. The object of that kind of registration is to defend a mortgagee against the prior acts of his mortgagor: in other words the object is to give him notice of prior acts. But if he has actual notice otherwise at the time he takes a mortgage—if for example, his own mortgage deed recites a prior mortgage, then the object of registration is already accomplished, and the statute does not apply to his case, and it would be a mere fraud on his part to take advantage of the frequently brief interval (sometimes only a day or less) between the execution of his own and a prior incumbrance, and seek to pervert the object of the statute by running off to the Register Office to gain superiority of title before the solicitor for the prior mortgagee had found time to do so. Besides which, when his own deed recites a prior mortgage and expressly gives him his mortgage subject to the prior one, in no way can he gain a higher right than his deed gives him.

(2) Suppose, however, that the secondary mortgagee has actual notice of an earlier unregistered mortgage, but the earlier mortgagee, for purposes of fraud, or for culpable neglect, has for a long time

delayed to register his earlier incumbrance, whereby his fraud or neglect may in any way have worked actual prejudice to the later mortgagee—as by leading him to suppose that it had been discharged—then equitable considerations might arise dependent on the special circumstances of each case, which would justify the Courts in giving a strict construction to the words of a statute which gives superiority of title to priority of registration.

(3) Perhaps the true solutions are these :—

(i.) Priority of registration should give superiority of title in all cases within the scope of the statute.

(ii.) But in cases outside of the object of the statute, such as when the second mortgagee already had actual notice of the earlier mortgage, the statute should not apply "*Cessat ratio cessat lex.*"

(iii.) But even actual notice should not deprive the later mortgagee of the benefit of the terms of the statute when the *non*-registration of the earlier mortgage is due to fraud or *culpa lata* to his prejudice ; for then the *ratio* of the *lex* has not failed : and the earlier mortgagee's fraud or *culpa lata* disentitles him to be heard to plead or take advantage of the actual notice. Propositions (II.) and (III.) concern matter beyond the function of legislation and are only proper for the Courts whose function it is *to apply* legislation. Proposition I. is all that legislation can profess to enact.

(4) But the best legislation, I think, would be to change what is now the object of registration, and to make it as essential to the validity and constitution of mortgage of land, as notarial execution of the deed now is.

Crops as affected by Mortgage and Judicial proceedings.

Q. XXVII. I see no occasion for any alteration of the law in this matter. As the law now stands (and it cannot admit of reasonable question) any mortgage of land carries with it from its date a mortgage of all crops present and future while they are growing, and even after severance, *while in the store,* and until they are removed from the land.

Duration of Mortgage Decree.

(2) The question how long a special mortgagee should be allowed to hold a mortgage decree without realizing or registering it, belongs to quite a disconnected subject. The consequence of delay in *registering* a decree I need not further deal with. The matter belongs to Question XXVI As long as the mortgagee and his debtor are both willing that this investment should continue, there is no good reason why it should not continue even after a mortgage decree, unless the debtor becomes insolvent, or another creditor seizes and causes the mortgaged property to be judicially sold in execution. In the latter case, as I have shown repeatedly in this paper, the pledge-right or security immediately vanishes *ipso facto et ipso jure,* and it is for the mortgage creditor either to exercise his preferential right over the proceeds sale, or let other creditors take the money. In the case of insolvency exactly the same thing occurs ; the duty of the assignee is to take possession of all that belongs to the insolvent (which mortgaged property does) unless it be a *res damnosa,* and to sell in detail all that belongs to him. This sale in detail, I take it, is a judicial sale and operates the same effects as a sale in execution by an ordinary creditor.

Rights of a judgment-mortgage-creditor when his security has been judicially sold.

Q. XXVIII. What is asked is whether a judgment creditor whose *mortgage security has been judicially sold* in execution of the writ of a simple creditor, or on the writ of a puisne mortgagee, is entitled to have *execution* on his own judgment without a fresh action *in rem* against, or demanding payment of what is due to him from the execution purchaser :—and when this question is asked the true notion of *every* mortgagee's right is overlooked, namely that it is simply a right to claim a preference in the proceeds of sale of the property when these are brought into Court on any judicial sale ; and it is overlooked that the sale has extinguished the security and all future recourse against the land, and that there is no longer any scope for an action *in rem.* [See answer to Questions I. ; IV. ; XIV. (3—6) ; XVI ; and XXVII. (2).]

Date of Title to, after sale of, mortgaged property.

Q. XXIX. This question, as it seems to me, does not concern the Law of Mortgage particularly, but concerns *all* execution sales generally. And I think it not desirable that there should be any difference between sales of mortgaged lands and sales of other lands as regards the point of time when the purchaser's title becomes complete.

Evidence to support Mortgage decree.

Q. XXX. The preceding observation, *mutatis mutandis,* equally applies to this question. Stated in other words the question simply is, " On what exparte evidence should a judgment by default be allowed ?"

Colombo, 29th August, 1885.

T. BERWICK.

III.—The Solicitor-General's Views.

1. I do not think that the present law of mortgage is defective to any extent. The Roman-Dutch Law on *conventional* mortgages is well understood, works equitably, and should be declared to be the law on the subject. I would abolish all tacit hypothecs on *landed* property ; such hypothecs have priority over conventional mortgages, and there exists no means of discovering their existence on the face of title deeds.

2. I am also of opinion that registration should be made compulsory for the validity of all mortgages exceeding Rs. 500 in value.

The great reform needed is in the *procedure.* Every facility should be allowed to a primary mortgagee to realize his mortgage. This is not the case now ; and delay is at the root of all the evil and confusion that now exists.

4. A primary mortgagee should have judgment on the service of summons, when he produces the mortgage bond. If the defendant is reported not to be found in the Island, there should be a substituted service in form directed by the judge, but no delay.

5. No rule *nisi* should, as now, follow the summons.

6. The mortgagee should have the right to proceed against his mortgagor *only,* taking no notice whatever of subsequent mortgages, lessees, or parties in possession. The primary mortgagee *should be in no*

worse position than he was when he lent his money, unless he afterwards expressly contracted with subsequent parties out of his rights.

7. The Judge in entering up a first *mortgage decree* should direct the Fiscal to sell the property out-right, and not "the right, title and interest" of the debtor. The purchaser will then buy the property free of all incumbrances.

8. The District Judge should, I think, direct the Fiscal to put up the property for sale at the *amount of the decree*. If purchased by the creditor at that sum, it will release the debtor; if not sold at this sum, the Fiscal should report to the Court, who should have the power from time to time to reduce the upset price and to give terms for the payment of the purchase money.

9. I would not allow parties to realize mortgages without a decree of Court. In the case of the ordinary native creditor, this will open the door to much fraud.

10. Where mortgaged property is seized by an unsecured creditor, or by a subsequent mortgagee, it should be put up for sale subject to the prior incumbrances; the purchaser would take a defective title and be liable to be turned out on sale by the first mortgagee, unless he prefers to pay him off.

11. In the event of the mortgagor dying intestate, and of his representative having no funds to carry on the cultivation of any plantation, the Court should on the *exparte* application of the mortgagor, supported by sufficient affidavits, appoint him or some other party *interim receiver* to manage the plantation and take in the crops, rendering accounts to the Court, for the benefit of all parties concerned.

12. It would be most inequitable to allow a creditor to get more than he contracted for by mere priority of registration, when his own bond expressly provided that the mortgage to him is *subject* to a prior mortgage.

13. I suggested in paragraph 1 that *tacit* hypothecs should be abolished on *real* property, as these have priority over conventional mortgages, and their existence is not known to the creditor upon perusal of the title deeds; for the same reason, I think that the lien given to estate labourers should be restricted to crops and other personal property on the estate, including materials of buildings, but I would *leave the land free*.

14. The Crown's right to priority as declared by Ordinance No. 14 of 1843 should be untouched.

August 4th, 1885. CHAS. L. FERDINANDS.

IV.—The Hon. R. A. Bosanquet's Paper.

1. *First*, in that the rights of the mortgagee are not sufficiently protected; and, *secondly*, in the delays which occur before judgment can be obtained and possession secured, pending which the mortgagor or party in possession may devastate, neglect, or otherwise prejudice the value of the security.

2. *Part* 1 is not a question for a layman to attempt to deal with.

Part 2.—Proceedings should be made more summary; one notice should suffice to be fixed to the bungalow, store, or other convenient spot, and a duplicate sent by post.

3. Answered in No. 2.

4. If I understand this question right, the mortgagee should undoubtedly have the right to claim the proceeds of sale of mortgage property, unless it is sold subject to his mortgage. He might be assumed to waive his claim to the proceeds of sale, unless he elected otherwise before the fall of the hammer.

5. It certainly would be a decided advantage, and would mitigate an existing evil if a mortgagee could have the right of entering into possession at once (under the sanction of the Court supported by his affidavit) if any one of the terms of the mortgage bond are infringed, but any mortgagee so taken possession must undertake to cultivate the estate (if agricultural property) rendering accounts to the Court at stated periods, and all moneys so expended by him should be a first charge on the property.

6. A mortgagor unless insolvent can, to a certain extent, protect himself. I am unable to propose any definite course which would meet this difficulty, which is a many-sided one. In the case of a primary mortgagee proceeding to realize his security, the Court might name a sum within the amount due to him, at which he might assume the property without purchasing it at Fiscal's sale, but this privilege should not extend to 2nd and 3rd mortgagees, and the mortgagor should have the right to *elect* in preference the usual Fiscal's sale. I strongly recommend compulsory advertisement at least twice before sale in both the daily papers, as well as in the *Gazette*.

7. There is no benefit in dealing with this question under its several heads. I think, in all cases, the primary mortgagee should have the right of entering into possession *at once* (under sanction of the Court) if any of the terms of mortgage have been infringed, but if he declines or neglects to do so, subsequent mortgagees should have the same right upon undertaking to cultivate, the expense of such cultivation to form a *first charge* on the property. If no infringement of the terms of mortgage has taken place, and the bond has only become due by lapse of time or notice, the course already indicated in answer 2 should be pursued.

8. No. I think that the Court should grant leave, *but* unless the Court see good reason to the contrary, the requisite possession should be given promptly, and without notice to the mortgagor.

9. I do not think this could be conceded.

10. Primary mortgagee should have the power already referred to of taking possession and cultivating. In the event of his declining or neglecting to act, subsequent mortgagees in their rotation should have the same powers, the expense of such cultivation to form a *first* charge on the property *and crops*; accounts to be rendered to the Court periodically.

11. A puisne mortgagee should have the right of demanding an assignment *(without recourse)* of any prior mortgage which he is prepared to pay in full, but his purchase should not in any way alter his position as regards the original security held by him, but only enable him to maintain the value of his original security, any excess of expenditure over income becoming a first charge as laid down in answer to No. 10. The rights of an intermediate mortgagee should not be prejudiced except to the extent of expenditure on cultivation and necessary buildings.

12. Sufficiently provided for above.

13. Looking upon this question broadly, the result of confining the security to the property only (and allowing no recourse to other property or the person of the debtor) would be to deter English capitalists from investing money on Ceylon agricultural property, which can be depreciated to an alarming extent by devastation or neglect in a very limited period of time. The mortgagor realizing that there is no recourse except against that property, may extract all he can and invest the proceeds in other property, or he may

neglect the property. It is absolutely necessary that the mortgagor should not lose his interest in the property in maintaining its value.

14. Yes.

15. Yes.

16. (What is a *special* mortgage? is it a crop bond?) In the event of a property being purchased by special mortgagee, the proceeds should first go towards any superior mortgage, if any (provided mortgagee puts in his claim); then the purchaser should have credit for the amount of his own mortgage; and then if there is any balance, such balance should go towards the liquidation of any subsequent incumbrances in their rotation.

17. If the property is put up at the instance of the primary mortgagee (see answer to No. 6), no price should be named by the Fiscal, but if put up under subsequent mortgages, the property should in all cases be sold subject to all superior encumbrances; if there is no bid, the Fiscal should return to Court for orders.

18. No. I do not think that the incumbrancer's position should be altered by the fact that he has purchased property put up at the instance of an unsecured creditor. Such a course would open the door to much greater evils than those now existing. Suppose that a creditor has a primary mortgage which he has assigned to another party, and also an inferior mortgage still held by himself, would it not be most unfair that in the event of his purchasing as above, that his debt should be wholly extinguished? and if so extinguished, what would be the position of the party holding the assignment of the primary mortgage? He, the incumbrancer, might wish to buy the property to cultivate and maintain the security, but he would not dare to do so if his position in other respects were to suffer in consequence.

19. Yes; under such circumstances any mortgagee (in rotation) should be allowed to have the property sold under his bond (without having first obtained a decree), subject of course to prior mortgages. Payment of proceeds to follow course suggested in answer to No. 16.

20. No mortgagee should be allowed to proceed against mortgagers other property or person, until he has discussed his security, and so arrived at the definite amount of his claim after he has discussed his security, he should be allowed to compete with other creditors for the proceeds of sale of his debtor's other properties.

21. Yes; but afford him every facility to enable him to ascertain the value of his security without technical delays, otherwise the guarantor may take advantage of the delay in many ways.

22. (I have failed to fathom the full meaning of this question, unless "without more" means "*ipso facto*," or should there be a comma between "without" and "more"?)

If a creditor elects to proceed against a surety, and the surety pays his claim, the security given by the principal debtor should be considered as assigned to or vested in the surety, but a secured creditor should not be empowered to proceed against a surety (without first discussing the principal debtor's security), unless under special agreement.

23. Yes, if he elects so to do.

24. A special mortgagee should have the power to proceed without administration being taken out, and in the event of no one representing the deceased, it is probable that the terms of the mortgage would not be complied with, and so the mortgagee would be able to enter into immediate possession as indicated in *answer to No. 5*.

25. I never before heard of "an Admiralty warrant of arrest," but I gather from the context that it is especially speedy and devoid of technicalities, which is what is urgently required in such cases.

26. This depends upon circumstances; we have a certain protection in registration, and to obtain this protection, certain stamp duty has to be paid. It is important that the avoidance of this duty should not receive legal protection.

Provided that registration is effected within a certain period after date of completion of the deed, no creditor should be allowed priority, under the circumstances stated, if the proof of his knowledge is complete.

27. Yes, mortgagee should carry with it present and future crops even when not expressly stated in the bond, provided the mortgagee has not expressly sanctioned a mortgage over the crops to some other party.

No limit should be fixed for realizing mortgage decree, but a simple notice to mortgagor might be given every year stating that the decree was still being held over. There are cases at the present time of mortgage decrees being held over in the interests of all concerned.

28. The judgment-mortgagee creditor, whose security has been sold under the circumstances set forth, should not be compelled to commence a new action, but might give short notice, say ten days, to the new proprietor that unless the debt is liquidated, the security will be discussed; meanwhile the new proprietor should be prevented from doing anything which would reduce or endanger the value of the security; nor should he be allowed to impeach the mortgage debt unless the judgment has been obtained by fraud?

29. Title to mortgaged property should pass immediately upon acceptance of bid and payment of deposit; but should be subject to payment of balance purchase money, and until such balance is paid the purchaser should not be allowed to do anything to reduce the value of the estate; such as barking cinchona, or removing from the estate any crop whatsoever, unless sufficient and good security is given for same. Tea leaf may have to be removed for the purpose of manufacture to some neighbouring Factory, in which case security should undoubtedly be insisted on. If the purchaser prefers it, *the issue* of title might be delayed until the payment of the whole purchase money has been made, and so avoid the necessity of issuing two titles or affixing a certificate of payment to the first title.

30. Upon production of *satisfactory evidence* before the Court that the amount claimed is correct, judgment should be signed.

RICH. A. BOSANQUET.

V.—Mr. W. Anderson's Paper.

1. (*a*) It admits of greatly varying interpretations on many points by different Judges.

(*b*) In several ways it admits too easily of evasion and delay.

(*c*) Under certain circumstances it stands, in effect, as a bar to the maintenance of the mortgaged property, while litigation is proceeding or likely to take place.

(*d*) It does not sufficiently provide against the mortgaged property being acquired by a mortgagee for less than its real value without a corresponding reduction of the amount due on his bond.

(*c*) It does not sufficiently meet the difficulties which arise in cases where interests are transferred to trustees with deficient power to act, where estates of deceased persons remain unadministered to, where the interests of a bankrupt are not represented, and where persons interested in the property are absent from the Island without leaving representatives.

2 & 3. These questions will probably be found to be sufficiently answered under others that follow.

4. Only when the property is sold at the instance of the mortgagee in question.

5. I do not recommend possession being given to the mortgagee except under such conditions as may be provided for under the contract of mortgage, or when difficulties arise as referred to in clause (*e*) of answer to question 1. Under any circumstances, however, I would rather recommend the appointment of a receiver as being likely to do more justice to all interests concerned in the property.

6. On the application of any subsequent mortgagee, the mortgagor himself, or any of his unsecured creditors, and on deposit of the probable amount of expenses, the Court should have power to appoint one or more valuators to appraise the value of the mortgaged property, within thirty days after the date of sale; and if the valuation should exceed the amount of sale, the mortgagee should be entitled to claim on other property of the mortgagor only for the deficiency, if any, between the valuation and the amount due on his bond. If other than the selling mortgagee becomes the purchaser, it may seem hardly right that a valuation should be allowed, but it must be borne in mind that the mortgagee may by accident or otherwise be unrepresented at the sale, and outside bidders do not usually take the trouble to attend, if it be thought that the mortgagee has a claim for more than the value of the property. In order to prevent public misapprehension on the latter point, it seems desirable that the advertisement of sale should disclose the amount of the mortgagee's judgment. It is evident, moreover, that in cases where property of large value is concerned, there is scarcely time to bring the necessary amount of capital to bear on the purchase, seing that only three weeks are required to elapse between the first advertisement and date of sale.

7. (*a*) A clear interpretation of the law and an improvement of the rules of procedure seems all that is necessary under this head in the interest of either of the parties. It would seem to be desirable, however, in order to prevent any doubt on the point, that it should be declared to be legal for a solvent mortgagor in possession to sell or assign the mortgaged property to a sole mortgagee: or, if there be more than one to the last one, without having to undergo the infliction of an action at law, and subsequent sale of the property by Fiscal. It may be difficult to distinguish between solvent and insolvent mortgagors, but there should at all events be a limit of time beyond which it should not be competent for a possible unsecured creditor to impeach the assignment. The assignment might also be considered unimpeachable, except on grounds of fraud, if immediately preceding the execution of the deed the mortgagor had exposed the property to public auction after due advertisement, and had transferred the property to the mortgagee for a sum not deficient of the highest bid which may have been made at the auction.

(*b*) Should the unsecured creditors fail, within a reasonable time, to appoint an assignee, or in the event of his leaving the Island or otherwise ceasing to act, the mortgagee should have power to call upon the Court to appoint one, and his action should not have to be commenced *de novo* if the insolvency should take place during the course of his suit. The bankruptcy of a mortgagor should give the mortgagee liberty to foreclose his mortgage notwithstanding the absence of any stipulation in the bond to that effect.

(*c*) In this case also, if the heirs or legal representatives of the mortgagor be not in a position to deal with his estate, the Court should, at the request of the mortgagee, have power to appoint a receiver, who, after a reasonable time, may be sued as the representative of the deceased mortgagor.

(*d*) I do not think a mortgagee should be required to make them party to his suit, though it might be advisable that notice of action should require to be fixed on some conspicuous part of the property, if the person in possession be not at hand to receive it.

(*e*) If the mortgagor be in the Island, the ordinary course of procedure is all that should be necessary in this case.

(*f*) Notice of action should be fixed on some conspicuous part of the property, and also advertised in the *Government Gazette*, the mortgagee in the meantime being allowed to apply to Court for the appointment of a receiver. If, after a certain lapse of time, the mortgagor continues unrepresented, the property might be sold in the ordinary manner.

I would here suggest that some means should be given to protect the interests of others, directly or indirectly concerned in the mortgaged property, against the accidental or intentional inaction of a mortgagee in a pending suit. If a mortgage become payable, and the mortgagee refrains from action, liberty should be given after a reasonable time to any of the other parties concerned to call for a valuation of the security, and the mortgagee should be debarred from claiming on the other property of the mortgagor for more than the deficiency between the valuation and the amount due on his bond; and that too, irrespective of the eventual result of the Fiscal's sale of the property under his suit. I consider this necessary, seeing that agricultural estates in a tropical climate speedily deteriorate if remaining for any time uncultivated, and it may be beyond the power of the mortgagor to maintain the cultivation in face of a pending suit against the property.

8. I do not recommend this as it might prove prejudicial to other interests involved in the property, The Court, however, might, in some instances, allow the mortgagee to act as receiver on giving proper security.

9. I do not think there will be necessity for this if the law be otherwise properly amended. It should, at all events, be confined to cases where the personal security of the mortgagor is not involved.

10. I do not think that the action of a primary mortgagee should be at all hampered by the fact of there being subsequent mortgages on the property. Mortgagees may in some instances, have postponed their rights by deed in favour of a new mortgagee, but even in that case, the latter should not be required to make the former a party to his suit, unless it should have been so stipulated in the deed.

11. I think a mortgagee, if called upon, should be required, without recourse on him, to execute an assignment in favour of the person who pays his claim. I do not approve a tertiary being tacked on to a primary mortgage, and a tertiary mortgagee is not likely to pay off a primary mortgage so as to tack it on to his own, leaving the secondary in advance of both his claims.

12. I think this question can be best answered by those of the legal profession.

13. This would necessitate the mortgagee having much greater control of the security than might be convenient or desirable. I think, therefore, that the personal security of the mortgagor should remain, unless specially stipulated to the contrary in the contract of mortgage.

14. A judicial sale at the instance of an unsecured creditor should not affect the rights of any of the mortgagees of the property.

15. I decidedly think so.

16. I agree with this suggestion also, but, in the interest of unsecured creditors of the mortgagor, there should be a limit of time to the subsidiary mortgagees to prove their claims.

17. In no case would I recommend a reserve price being put on the property, when put up for sale by the Fiscal ?

18. I agree with this suggestion.

19. I do not think this would be advisable.

20. No ; he should not be allowed to do so.

21. Yes ; I think so.

22. I would answer this also in the affirmative.

23. I have already referred to this under clause *(b)* of answer to question 7. A sale of mortgaged property by the assignee should not affect the rights of any of the mortgagees, except in so far as they may have respectively consented to previous to the sale.

24. My answer to this will be found under that to question 7, clause *(c)*.

25. This would seem advisable, but there may be difficulty in deciding when a property is actually abandoned, and there may be instances of properties being, in a sense, abandoned at the time of mortgage.

26. I think that knowledge previous to the execution of his own contract should require to be shown before debarring him from the priority referred to.

27. I do not think that the mortgage of an agricultural estate should carry with it present or future crops and produce, unless expressly mentioned in the deed.

The mortgage should otherwise attach to the unharvested crops and produce from the time of seizure. I do not think there is any necessity for the registration of a mortgage decree. The time for realisation of the security might be left to the option of the mortgagee, that is, if others directly or indirectly interested in the property have the power to call for a valuation as recommended in the closing paragraph of answer to question 7.

28. In the circumstances referred to, a judgment mortgagee creditor should be allowed to have execution without necessitating either of the courses described, and the new proprietor should not be allowed to impeach the mortgage debt, except on grounds of fraud.

29. I recommend the adoption of the latter suggestion.

30. In an uncontested action, I think that some precautions of the kind suggested should be adopted before judgment be signed.

W. ANDERSON.

Colombo, 7th August, 1885.

VI.—Mr. J. H. Starey's Paper.

I HAVE been connected with the Ceylon Company for 20 years, and for 14 years I have been in their Colombo Office. The Company's business at the commencement of their operations in Ceylon in 1862 was chiefly that of providing or lending money for the assistance of coffee planters on the security of their coffee estates and crops; and, speaking generally, there was little if any other security available in these transactions.

Through the Company's instrumentality several valuable and extensive plantations were opened or developed in different districts, some of which are still highly productive. The usual practice was to advance what is called a Block Loan, and then to make advances for current cultivation or for the opening of new land, receiving the crops for sale, the balance after such sale going in liquidation of the debt, or, in unprofitable years, going to increase the mortgage debt.

It is now about 13 or 14 years since new business of this character was entertained by the Company, but where the opportunity offered they have generally been prepared to advance money upon the security of crops under the annual agreements known as "Cash Credits," and in arranging this business it was not uncommonly the practice for the Company to take a mortgage of the estate, or the consent of the primary mortgagee, or a pledge that the property would not be mortgaged without their consent whilst there should remain debt to them.

The reasons for declining proposals of mortgage on Block Loan were, that the risks of loss were found practically to devolve almost wholly upon the lender, and because the difficulty of recovery or of realizing the security was found to be, *in a contested suit*, almost insuperable, in consequence of the benevolent protection to debtors afforded by the Roman-Dutch Law as interpreted in the District Court of Colombo. The whole value of an estate might have been produced by the lender's aid, and the borrower might have taken far more out of the estate than he ever put into it, and there may have been a contract as to management and charges between borrower and lender, which had not been contravened ; but in the cases of these so-called "working bonds" (i. e. where the mortgaged funds went to develope the estate) the Ceylon Law had the effect described, though it is probable the doctors of that law never contemplated transactions of this nature. The Company entered into these engagements with Englishmen in an English Colony, under the presumption that English Law would govern. These transactions bore the character of joint enterprises between the capitalist and the agriculturist, and when it was found that the former must lose if the venture turned out badly, and might not, under Dutch Law, recover his advances if it turned out well, the Company ceased to lend money in this way, and turned their attention to planting on their own account. However, in ten years very large sums of money lent on mortgage were lost.

There is one other class of the Company's business which occasionally involved a mortgage, namely, when they sold a property and allowed part of the purchase money to remain outstanding for a year or two. Such security may be said to have generally proved good, except in certain cases where, for instance, the purchaser speculated recklessly, and perhaps raised a second mortgage on the same security he had given to us. Such practice, in my opinion, could not but work to the prejudice of the primary lien. I will now attempt to answer the interrogatories.

1 The present law of mortgage contains three blots or defects of magnitude. And first, I should wish it to be understood that I can speak of my own knowledge only with reference to that class of mortgage which relates to "*Agricultural Estates.*" Hypothec of house property, factories, policies of insurances, stock in trade, plate, stock or scrip, and such like portable securities, occupies a position quite dissimilar to *Tropical Agricultural Estates*, and for this reason, viz., that the value in the latter pertains almost wholly to

the crops and produce, and these depend upon cultivation and maintenance. The value of a neglected coffee estate is virtually *nil* after a few months of neglect; and this consideration bears in a marked degree upon the answers to be given to many of the subsequent questions, particularly those affecting rights of possession, and the period intervening between judgment and sale, &c.

The *first* defect of magnitude is that whereby a mortgagee can recover more than his security.

The *second*, that whereby a mortgagor is at liberty to pledge the same security twice and oftener without the consent of the primary mortgagee.

The *third* lies in the defective procedure, the unnecessary delays and hindrances to recovery of a debt, and realization of the pledge, with which may be coupled the defective rules for bidding at Fiscals' sales.

To give illustrations of what I mean; securities are frequently forced to public sale when they possess no value or attractiveness to the public. The fact of a debt being known to exist will generally deter bidders, while the sale being held "on the spot," possibly remote or not easily accessible, the attendance is not infrequently limited to the Deputy Fiscal and the creditor. The consequence is, the security, which had formerly been deemed ample by the mortgagee, is realized for a nominal sum, and the mortgagor may be ruined in reputation as well as in pocket, if, as is often the case, all his property is sold in this way and he is forced into bankruptcy, and this, it may be mentioned in passing, is morally injurious to the community, in that it nullifies the disgrace that would otherwise stigmatise insolvency. To remedy these evils, hypothec should, in my opinion, be *specific*, and the recourse of the mortgagee should be restricted to the securities specified. That which satisfies him when he takes his bond should suffice always; but to compensate him in this respect, his title to the pledge should be indisputably secured to him in the event of any default on the part of the debtor. The evil to be guarded against is briefly this: to prohibit a judgment creditor from acquiring more than the value of his security. At present the knowledge of his lien deters other bidders, and he acquires all his security whilst he continues a creditor for nearly the whole debt. Were the Fiscal to assess the value and assume that value for its upset price (as I believe is the practice at the Cape), the evil would be mitigated, but even this would not be effectual in times of financial depression when money is scarce, and therefore the only remedy I can suggest is for *the pledge to be made specific and restrictive*. Such restriction would react in favour of the lender and towards a beneficial "policy," because the lender would be more careful, and speculation by penniless planters would be checked.

To remedy the *second* defect, it should be made penal for a mortgagor to hypothecate the same property more than once. A great many, if not the majority of the evils complained of, may be traced to the existing liberty in this respect. What is the primary conception of pledged securities? Surely not that having been pledged in one quarter, they can be similarly dealt with twice or thrice elsewhere. In my opinion, this should be made general law, but it should certainly be a strictly penal offence where the borrower has solemnly covenanted not to do so. Nevertheless, I have been advised that in presence of such a covenant the lender is only protected as against his debtor, and in no way as against third parties, though, as I have said, such a transaction may have completely changed the value of the creditor's security, besides changing the relations of the debtor to his creditor. There should be the labourer's lien, and that of one creditor, and no other. Sir J. Phear's ruling as to the status of a primary mortgagee, where there exists a subsequent lien, greatly aggravates the conditions to the disfavour of the lender under the primary lien. It opens the door to fraud, and is opposed to public policy in so far as it hinders the soil from tillage. For instance; a primary mortgagee, being a judgment creditor, buys in his security in a neglected condition: a secondary mortgage remains upon the land, and if the purchaser improves it sufficiently, it becomes worth the while of the secondary mortgagee to take it in execution.

The *third* defect lies in the obstacles to realizing a security, and the mode of realization. Practitioners (whose evidence will doubtless be taken by this Commission) will exemplify the vexation of the procedure better than I can, so I need only allude to it, as it is an admitted fact. I will give only one instance of the defective rules for bidding. A. is a judgment creditor for Rs. 10,000 attending the sale of his security to defend his claim; B. and C. are confederates also present. B. makes a bid of one rupee; C., a man of straw, promptly bids Rs. 10,000. A. thereupon remains silent, and C. is declared the purchaser. But C. fails to complete the purchase, whereupon the next highest bidder, who was B., is declared the purchaser, and A. gets nothing for his judgment of Rs. 10,000.

But perhaps the greatest defect in the present state of the law is the "grandmotherly" protection or consideration it extends to the debtor, particularly a fraudulent debtor. It has lately been held by the principal District Court in Ceylon (D. C. Colombo, case No. 72,905) that the larger the debt of one to another, so much the closer is the fiduciary relationship of parties, and perhaps this is the logical conclusion under Ceylon Law. One is often driven to exclaim that the law operates mainly for the protection of dishonourable debtors, so difficult is it to recover a mortgage debt in a contested suit. The Commission may deem this to be too broad for a general assertion, but it is true in some degree, and it will not be denied that the state of the law has reacted to the detriment of borrowers, wherefore it requires amendment, whether viewed from the borrower's or the lender's standpoint.

2 & 3. I have answered the second question in answering the first. A new law is required for agricultural estates, so that when they are pledged once, they cannot be pledged again without consent of all interested. The procedure should be simplified with a view to prevent the deterioration of the security pending sale. A mortgagee of an agricultural estate should be deemed to be concerned in the well-being of the security equally with the nominal proprietor.

4. A mortgagee should elect whether he will claim the proceeds sale to the extent of his judgment or the property sold.

5. It will, I think, always be an advantage to the mortgagee to have possession of the property *after* judgment—say if judgment is not satisfied within ten days; and before judgment, if the mortgagee is not placed in possession by agreement, the mortgagor should be deemed to hold the property in trust for the mortgagee.

6. Under No. 1 I have suggested the only remedy I deem effectual. Assessment by the Court or by the Fiscal, which at first sight might seem effectual, is open to the objection that the lowest assessments might not be realizable in times of financial depression.

7. (*a*) Solvent mortgagor should be deemed to be trustee for the mortgage whilst debt remains. (*b*) If mortgagor is insolvent, supposing he cannot continue to act as trustee, a receiver and manager should be appointed, with the option to the mortgagee of assuming such office. (*c*) A rule similar to that suggested under heads (*a*) and (*b*) should be followed. (*d*) Vide reply to No. 5. Mortgagee should always be a consenting party. (*e*) Appointment of receiver, with option as described under head (*b*). (*f*) The same reply. The case is virtually similar.

8. Compare No. 5. The interest of a mortgagee in his security is rarely, if ever, inferior to that of the mortgagor. If the latter is trustee for the former, as I suggest, breach of covenant should cancel all privileges.

9. This question involves a radical change in the present law amounting to reconstruction on new principles. If the mortgagee has power of sale he must also have power to give a good title or to compel the nominal owner to do so. The owner may be in possession, or absent with address unknown, or even dead, or he may have made his property the subject of an ante-nuptial settlement involving various contingencies, so that unless you go so far as to adopt the English Law of Mortgage, I do not see how it is possible to vest such power in a mortgagee. If such power can be given, the only necessary safeguard that occurs to me would be to give the owner some reasonable right of redemption.

10. As before stated, I object to the creation of a "subsequent mortgagee." Such an individual should only be possible when he can satisfy the prior lien (which in theory he is prepared to do when content to take a lien of inferior rank). If the property is so valuable that there is security for more than one debt, the primary creditor should be bought out, or paid off, even without his consent; or if he prefers to share the security with others, he should become a party to the subsequent transactions, but they should be invalid without his consent. If, however, he has contracted for a definite term, he should be free to refuse his consent to the same security becoming available for a subsequent pledge. I see no hardship in this. Let the mortgagor redeem one pledge before contracting another.

11. Yes; this would naturally follow the operations suggested in the foregoing reply. It would be a simple method of arranging for an enhanced debt without incurring unnecessary stamps. I presume it can be done under the existing law by the puisne mortgagee taking an assignment of a prior claim. But as before stated, I would not permit the creation of a puisne mortgagee; and in this case the regulation would only apply to existing mortgages.

12. Presents a technical problem for experts; but see No. 9.

13. Certainly, from my point of view that hypothec should be specific and restricted, and provided that the mortgagor (as trustee for his mortgagee) duly accounts for the disposition of the property mortgaged, especially crops, or say the produce or rents of the land.

14. Yes; I see no reason to the contrary, unless the mortgagee elects to take the proceeds, which he should be free to do to the extent of his debt. See No. 4.

15. Yes; but this is only another way of asserting the prerogative that a mortgagee ought to possess: the right to sole lien that the theory I have enunciated provides for. If, however, you once recognise other incumbrances, I do not see how you can confiscate or annul them, because one mortgagee seeks satisfaction. The question touches the root of one of the principal evils of the present custom. There should be no recognition of "incumbrances ranking lower" than the pledge first given, and if there are to be such as necessary evils they should be vested with no vitality or efficacy until the pledge first given is satisfied.

16. If there are to be puisne mortgages at all, they should rank, for proceeds sale, after satisfaction of the first pledge.

17. The question is hypothetical. If the mortgagee has right of sale, as suggested by question 9, the Fiscal can scarcely interfere: if he has not such right, the value or price must be fixed in deference to the first mortgagee, and when he is satisfied then in deference to the next, and so on; but as before stated, I think there should be but one valid lien.

18. If an incumbrancer buys in his only specific security, his debt upon it should be extinguished. If the property sold represents but a portion of his security, his claim should remain good upon other securities for so much debt as remains; or in other words, the property should not be freed from incumbrances until he is satisfied. Injustice, however, might arise in the case of disputed debt, and I am not sure of my answer. I think the mortgagee should give formal notice of his lien. The assessment suggested is fraught with difficulty.

19. I am not sure I understand the full force of the question. Would it not meet the case for the mortgagee to give notice of his lien without the obligation to defend it? But see No. 14 and No. 4. If a mortgagee could order the sale or claim the property (No. 14), who would buy a mortgaged property unless such an one was prepared to settle or make terms with the mortgagee? A mortgagee should have the fullest control of his security consistent with equity, and nothing should be permitted to prejudice his interest in it, but where there is a decree for a sale a mortgagee should not be allowed to refuse to take payment. The Court, therefore, should be apprised of the lien before issuing its decree in favour of an unsecured creditor. The Court perhaps need not recognise mortgages unless such are registered, and to prevent injustice arising through mortgagee having failed to give a proper release, it might be made competent for a mortgagor to clear the register by proof of settlement and due notice to mortgagee.

20. If all hypothec were made special and restructive as I propose, this question would not arise. A mortgagee should be permitted no recourse, except upon his specific security. If, however, all or other of his debtor's property has become subject to his lien by contract or by law, the same answer would in part apply here as to No. 18. Some such protection as the question suggests is necessary as against the mortgagee, but at the same time he requires to be indemnified if part of his security passes out of his reach. Might not the proceeds sale alluded to be paid into Court to be dealt with judicially. If sufficient has been realized to satisfy the special hypothec, the mortgagee should elect whether to take the money in exchange for his claim, or to pass it and retain his lien. If insufficient has been realized to satisfy him, he should be called upon to elect whether to take so much (in part settlement) and surrender his special security for sale forthwith (with a lien upon the proceeds for the balance), or to pass it as in the other alternative and retain his special hypothec.

21. Yes; such a guarantee should be taken to relate to the sufficiency of the security rather than to the indemnity of the creditor though that is the ultimate intent.

22. I pass this question, doubting whether I see its full significance.

23. Yes, certainly. The only doubt would be when the debt is disputed.

24. The same reply as to No. 7, sub-section (*b*). If the mortgagor's death does not *per se* place the mortgagee in possession, it would, I think, be well to follow the same usage as in case of insolvency. The mortgagee, if not personally represented in the tenancy of the security should be represented by a trustee.

25. A technical question I am not competent to answer, except in the most general way. If the mortgagor abandons his property, the action of the mortgagee should be as little hampered as possible.

26. No; if a preferential claim is admitted, it should not be forfeited or passed over without consideration.

27. I think it will be found difficult to define an "agricultural estate" without including the crops, for they are the main source of value. If crops are expressly excluded from the hypothec, the mortgage should nevertheless attach to them so soon as the mortgagee obtains possessory right in the security. See reply to No. 5. In the event of default of any covenant, the sooner the mortgagee can be empowered to control the securities, the better; any delay is apt to involve deterioration of agricultural estates in Ceylon. A special mortgagee should be under an obligation to realize his security as soon as his debt is admitted.

28. A "new proprietor" having knowledge of the lien (particularly when the mortgagee is a judgment creditor) should occupy the relationship or position of mortgagor, except when the new proprietor is the quondam primary mortgagee.

(1) A fresh action should not be necessary.

(2) There should be no ground for impeachment, if debt has been proved.

29. Assuming the preëminent concern of the mortgagee in the special hypothec, he should be allowed the exercise of the utmost freedom (having regard to the fleeting value of agricultural estates): make him trustee pending completion of purchase, or take any wise precautions, but provide for the maintenance of the security, with indemnity to whoever it may devolve upon to maintain the value of the security. I think the interest of the mortgagee is second only to that of the mortgagor, and cases will arise when it becomes paramount. Should a third party become the purchaser, make him trustee for the mortgagee until the latter is satisfied.

30. Written admission, or delivery of the libel upon oath, by the mortgagee of the amount claimed, should be required by the Court before such property is made executable for debt in an uncontested suit; but it is a question rather for professional opinion.

And now having answered the questions as above, I have but to repeat that my answers are intended to relate only to the cases of mortgage of *Agricultural Estates*. The chief desiderata are, the hypothesis that the interests of the mortgagee are scarcely, if at all, inferior to those of the mortgagor, whilst in case of death or insolvency, and after a judgment decree, they become paramount, and, being so, every source of hindrance and every impediment involving neglect of the property and of the crops should be abated to the utmost. The Commissioners will not need to be reminded of the peculiar character of tropical crops, how the main value of an estate attaches to the crops and depends on their being properly cared for. This is probably more important in the chief of new products, viz., tea, than any other—since the time of harvest is more extended; and to state my view tersely, I should go so far as to say that legislation should be directed rather to the protection and welfare of agriculture—that is to say, the cultivation—than to the rights of parties, for nothing will conduce more to the welfare of all parties, and at the same time to the general good of the country, than the nourishment, the good husbandry, and protection of the products of real estate. Hence, the best law for the mortgagee is the best law for the mortgagor, and the best law for both is that which defends and promotes agriculture. At present agriculture suffers by reason of the jealousy of the law for the condition and rights of impecunious debtors, and even when the debtor is ruined the law hinders the mortgagee from doing what is right by the land, and this in my humble opinion is the direction in which to seek amendment.

In conclusion, I venture to suggest that in presence of the wide and deep difficulties involved in the general law of hypothec, it might be of advantage for the present to leave the existing law untouched, but to frame a new law applicable only to agricultural estates, to which parties would become amenable by registering their transactions under it.

JOHN HELPS STAREY.

Colombo, 4th August, 1885.

VII.—Paper of the Chairman of the Chamber of Commerce.

SIR,—I HAVE the honor of acknowledging receipt of your letter of the 12th instant, with its enclosure, and in reply venture to address you briefly on the subject of the Law of Mortgage in Ceylon.

The framing of a satisfactory Law of Mortgage for Ceylon presents peculiar difficulties owing to the nature of the security generally mortgaged being cultivated land, which rapidly deteriorates in value from neglect. In this respect the security is decidedly inferior to that offered by land in more temperate climates, where the absence of cultivation, even for a lengthened period, does not materially detract from its value.

Under these circumstances, the mortgage laws which prevail in England or the continent are not suited, without material alteration, for adoption in a tropical country like this.

The necessity for a sound mortgage law is essential here, as borrowed capital will always be required to work the European planting enterprise in Ceylon, and the first step towards securing that capital at a reasonable rate must be in our being able to offer the lender the most satisfactory security we can for his money. Bad security means a high rate of interest, and this last but few industries in these days of keen competition can stand.

The existing mortgage law seems to me most defective mainly from the slowness with which it moves, during which time the property mortgaged is liable either to suffer from waste or neglect on the part of the mortgagor. In framing a new mortgage law it would seem advisable to create a separate Court to deal with matters pertaining to encumbered estates, and thus secure the more rapid application of the law, and in this Court, I think, power should be vested to place the mortgagee summarily in possession of the property mortgaged to him, when on his own affidavit supported by that of say two others, either waste or neglect is averred to be taking place or anticipated, due security for the proper cultivation of the property till date of Fiscal's sale being given.

The position of a second mortgagee must of necessity always remain an unsatisfactory one. I do not think the position of this class of security should be improved to the detriment of that of the primary mortgagee, and the facility with which these bonds have been negociated in the past has simply tempted the proprietors of real estate to launch out and incur responsibility which was not legitimate.

Turning to the position of the mortgagor, I would answer question 13 in the affirmative.

More publicity should be given to Fiscals' sales, and the dubiety which now hangs round Fiscals' titles should be cleared away.

In ordinary times and with the two last conditions fulfilled, I believe that a fairly good competition for property at Fiscals' sales will be the result.

The conditions under which Fiscals' sales have taken place in the past few years are not likely to occur again.

I am, &c.,
JOHN G. WARDROP,
Chairman.

Colombo, 21st August, 1885

VIII.—Paper of the Chairman of the Planters' Association.

3. Less waste of time in preliminaries of suit.

4. Undoubtedly, up to amount of his claim if the property is sold, but not if the mere right, title, and interest is realized by a creditor.

5. Perhaps under circumstances mentioned in questions 24 and 25, possession might be given, but subject to some control of Court.

6. See concluding suggestions.

7. (*b*), (*e*), (*f*). Possession might be given subject the mortgagee having to account for his intromissions during the time he is in possession, and perhaps under circumstances e. f., a time might be specified after which action might be prescribed and mortgagee confirmed in possession.

8. Decidedly no. Many Ceylon mortgages contain agreements in connection with the supplying of advances on the one part, and shipping of produce on the other ; and it might, probably would, in many cases be a difficult thing to say what was, and what was not, a "breach of the covenants of the mortgage."

9. Most decidedly no. No safeguards would prevent injustice and abuse.

11. Provided that the tacking on was subject to all the conditions of the previous (in rank) mortgage, I see no reason against allowing it.

13. See concluding suggestions.

14. Yes

15. I think so.

16. Only if the amount is sufficient to have first of all satisfied the judgment mortgagee.

17. See concluding suggestions.

18. Doubtful ; would be easy of evasion.

19. No.

23. I would think so, if time and money are to be saved.

24 & 25. See No. 6.

26. I think registration should be the essence of priority, and the only condition under which I would allow priority to an unregistered mortgage would be where the subsequent mortgage actually *mentions the amount* and admits the priority of the unregistered bond. It is plain that if the mere admission of knowledge of the existence of a prior unregistered bond is to give that unregistered bond priority, the interests of third or subsequent mortgagees (who were ignorant of the bond's existence) would unfairly suffer. Fraud would be easy, and creditors who might advance money to the mortgagor—having by reference to the register assured themselves of his apparent solvency—might, on the mere word of a petty mortgagee, find a huge concealed debt absorb the whole of their debtor's property.

27. I hardly understand the meaning of this question. What is meant by "present crops," "future crops" ? Are they relative to date of signing of bond or of obtaining judgment ? It would be nonsense to give a mortgagee any right to all the crops that may have been gathered during the currency of his bond. I think the mortgagee should have the right to the crop on the land at date of seizure. A mortgagee might be made to *register* his decree in four months, and realize it within a year, or let it lapse.

28. (1) Yes.

(2) No ; demand should be proved.

29. Bids ought not to be withdrawable in the procedure suggested in my concluding remarks. Bidder should be liable even to insolvency for the amount he bids. I think possession should only be allowed in terms of the latter portion of the question.

30. No.

Concluding Remarks.—The points touched on in questions Nos. 6 and 13 are most important, and I think require much consideration. I believe it is generally admitted that at present the sale at public auction by the Fiscal is in nine cases out of ten a mere legal form, and that, in a country like this, it will, under present procedure, remain so. It is in no real sense a public sale to the highest bidder, nor does the sum realized, as a rule, bear any relation to the market value of the property. I think it is manifestly unfair to the mortgagor that property mortgaged for (say) Rs. 100,000, and actually worth and privately saleable for (say) Rs. 50,000, should be knocked down to the mortgagee for Rs. 10, and the whole balance of Rs. 99,990 held as an undischarged debt against the mortgagor. It is equally unfair to other creditors who see, perhaps, ninety per cent. of the other assets taken from them on account of a claim that has in reality been largely discharged If, therefore, the present sale procedure be adhered to, I would favour the release of the mortgagor from the mortgage debt when the security has been realized. At the same time, I cannot consider that an entirely satisfactory way of treating the mortgagee. In some cases it might mean the practical robbing of the ignorant or credulous English investor, and in all cases the principle of not being liable in money's worth for what has been lent in money is wrong, and might tend to cause distrust and check the flow of capital into the country. It is also plain that any change in substantive law, made with the purpose of preventing injustice to mortgagor or his other creditors, could have no retrospective action, but could only be applied to mortgages or debts contracted subsequent to any such alteration in the law. That being so, it seems to me eminently desirable that some plan be adopted which, without injuring the security or rights of creditors, should be capable of affording relief immediately to all debtors whose property is liable to sale at a nominal price. I would propose a radical change in the procedure at Fiscal's sales—a change which, so far as I can see, would be unfair to no one, and which would effectually meet the end desiderated in Question VI., while removing to a very great extent the causes which at present render it desirable that the mortgagee should not be able to proceed against the person or other property of his mortgagor ; I think, too, that the change commends itself as being immediately applicable, and affording justice not only to mortgagors but to every debtor whose property is being realized by compulsory sale. What I would suggest is, that the mortgaged property be put up for sale at the price of the mortgagee's claim. *If* a bid at or above that sum is made, let the bidding go on, as under the present system, until the estate is knocked down to the highest bidder. If, however, there be no bid at the price of the mortgagee's claim, then the procedure should be on a certain scale *downwards*—on the "Dutch auction" principle. Suppose the claim to be for Rs. 10,000, and there be no bid at that price, then the Fiscal puts it up at (say) 5 per cent. less, i.e. Rs. 9,500 ; if no bid at that, Rs. 9,000, and so on until some one bids the sum arrived at by the Fiscal, and instantly becomes the purchaser. In the case of a second or other mortgagee, or a creditor, the same form would be observed, save that the price would be subject to the prior claims. Different scales of decrement (and of fees) could be named in proportion to the largeness or smallness of the sum at stake. In the event of doubt as to who had made the purchasing bid, the Fiscal could revert to the upset price and come down the scale again.

The practical result of this procedure would be that the execution mortgagee would, having made up his mind as to the value to him of the security, have to name the value the moment the Fiscal's price fell to that amount, or risk some one else buying the property. Having, be it supposed, determined that the security is worth to him Rs. 5,000, he allows any one who names a higher figure to become the owner, but when by decrement the price comes down to Rs. 5,000 he bids, becomes the owner, and wipes that amount off his claim.

There is no compulsion that he should become the owner at any particular figure, or even at all, but to prevent the chance of the security passing away from him at a figure much below its value, it would be his inclination and interest to name his price. No honest creditor could object to the alternative which the procedure would give him, either to take the security at his own valuation and credit his debtor with that amount, or to allow some one else to take the security at a higher valuation.

Finally, I would draw attention to the necessity of considering the rapidly altering circumstances of the country in conjunction with changes in mortgage law.

Had cinchona, or even coffee, remained the staple product, many restrictions or alterations might have been necessary, and, in order to afford due protection to mortgagees, laws which would have generally been just but which might occasionally have pressed hardly on individuals, might have been enacted. Tea is a product which has not one short period of harvest every year; its crop can not be stripped off, nor the plant cut down or up-rooted for sale; neither does it suffer, to any serious extent, from neglect or even temporary abandonment. Such being the case, it is not desirable that a mortgagee should be allowed too great powers over the estate's crops or too summary possession of the estate itself; some mortgagees, as well as some mortgagors, are capable of abusing the provisions of the law. The law should be clear, as simple as possible, and capable of cheap and rapid application.

Maskelya, 14th September, 1885. THOS. NORTH CHRISTIE.

IX.—Paper by Committee of Advocates and Proctors.

Colombo, August, 1885.

SIR,—WE, the undersigned Advocates and Proctors, having considered the questions addressed to us by the Commissioners appointed by His Excellency the Governor to report upon the Laws of Mortgage in this country, beg to return the following answers thereto:—

1. We consider the present law of mortgage defective on account of its uncertainty, which uncertainty is partly due to conflicting decisions of our Courts.

2. This question will be found fully considered in the answers to those that follow.

3. We would suggest that substituted service of process (such as is now resorted to, under Ordinance No. 4 of 1867, upon return of *non est inventus*) be made applicable to the case of mortgagors and mortgagees absent from the Island. Further, we recommend that mortgagors and mortgagees not resident in the Island be required to register in the Office of the Registrar of Lands an address in Ceylon, and that processes or notices posted to or left at such address be considered duly served upon the party registering such address. If a mortgagor or mortgagee have failed to register such address, the affixing of process or notice on the land should be deemed sufficient service.

4. We consider that a mortgagee should not have the power of claiming the proceeds of sale of mortgaged property, when such sale takes place at the instance of an unsecured creditor or of an incumbrancer puisne to such mortgagee.

5 & 8. If the question No. 5 refers to the *contract* of mortgage, we would suggest that parties should be allowed full power to contract in regard to possession; but if the question refers to the circumstances under which a Court may interpose to put a mortgagee in, we would suggest that every facility be given to a Court to enable a mortgagee to enter in order to protect his security.

6. This question is answered by the reply to question No. 17.

7. (*a*) The law on this point may be left unaltered except as hereinafter suggested.

(*b*) See answer to question No. 23.

(*c*) If the heirs or any of them have adiated and are in possession of the mortgaged property, we think the mortgagee should have the same rights against them as against the deceased mortgagor, without the necessity of taking out administration. When the heirs have not adiated, or when there is no legal representative, or when the property is not in the occupation of any known person, we would recommend some procedure for the benefit of the mortgagee to enable him to realize his security—some such procedure as that provided by the Labour Ordinance, No. 16 of 1884, whereby it is sufficient to designate the defendants as "the proprietors of ——— estate"; otherwise, if practicable, in cases like these, the Secretary of the Court might be made a nominal defendant. In all such cases strict proof of the debt should be required. When some known person is in occupation, it should be sufficient to make him a defendant.

(*d*) See answer to question No. 28 (2).

In reply to this question generally, and with special reference to heads (*e*) and (*f*), we would suggest that the mortgagee be allowed to obtain *ex parte*, on cause shown, the appointment of a receiver and manager of the mortgaged property.

8. No; but the mortgagee may obtain the appointment of a receiver and manager, whose appointment shall stand until the Court order otherwise on the motion of the mortgagor or any other person interested, such as a lessee or another mortgagee.

9. We are not unanimous in returning the following reply to this question:—The power of sale may be allowed to a mortgagee (when his bond provides for it) to whom a liquid amount is due, subject to the safeguards observed in England, with such modifications as the different conditions obtaining in this country may render expedient. Such sale to take place by public auction, unless otherwise expressly provided by the bond. The power of sale to be limited to mortgages of Rs. 5,000 and upwards.

10. By requiring that puisne mortgagees and purchasers subject to mortgage should give notice of their incumbrances (together with their addresses in Ceylon) to prior mortgagees, and that a mortgagee should give notice of his intention to exercise the power of sale (if it be decided to give him this power) to the puisne incumbrancers at the addresses so given.

11. No.

12. As to sale under the contractual power, see answer to question No. 9.

As regards sale by the Fiscal, he should in all cases sell the property (subject of course to incumbrances) and not the execution debtor's right, title, and interest therein.

13. No.

14. Yes.

15. Yes. Leases and conveyances subsequent to the execution creditor's incumbrance should be in the same position as mortgages of the same date. The same effect should follow sales under the contractual power (if allowed).

16. Yes.

17. The mortgagee should be required to state in his libel what he considers the present value of his security, and the summons or rule *nisi* for judgment should state such value, and notify that the Court will on a day named proceed summarily to determine such value, when it will accept the mortgagee's valuation, unless the defendant or another incumbrancer disputes it. The value fixed by the Court should be mentioned in the writ, and the mortgagee should be bound to give the defendant credit for that amount, whether he buys the property in execution or not. It may be necessary (in view of the fluctuation in the value of property) to require a re-valuation of the property by the Court, at the instance of either party, if the writ have not been executed within a certain time (say a year) of its issue.

18. Yes; and such purchaser should take the property subject to the other incumbrances.

19. No; the mortgagee should proceed by action on his mortgage.

20. A mortgagee should be compelled to discuss the property mortgaged to him before proceeding against the mortgagor's other property or the proceeds thereof.

21. Yes.

22. Yes.

23. Yes. In his application to the Court in insolvency he should disclose all incumbrances on the land of which he has notice, and after the realization of the property the assignee should hold the proceeds undistributed for a period to be fixed by Ordinance; but such sale should pass the property subject to incumbrances prior in date to that of the applicant.

24. Provision might be made for the Court's putting the mortgagee in such cases into possession as receiver and manager. In the case of competition for the receivership, mortgagees to be preferent in the order of their priorities, a mortgagee of the crops alone being preferred to mortgagees of the land. The procedure might be by application to the Supreme Court or a Judge thereof in chambers, who should settle all expenditure and give the receiver a first charge on the land for his expenditure.

25. No. It will be extremely difficult to give a satisfactory definition of the term "abandoned."

26. Registration of all incumbrances to be compulsory and essential to validity, but the objection of invalidity for want of registration not to avail a vendor or mortgagor as against his vendee or mortgagee, respectively.

27. No express mention should be required of the crops in a mortgage. If a mortgage is merely a mortgage of the land, it should attach to crops growing at the time of seizure by the Fiscal, upon such seizure taking place.

28. (1) No such fresh action *in rem* should be required.

(2) No such notice or demand should be required, nor should the new proprietor be allowed for any reason to impeach the mortgage debt on which judgment had already passed at the time of his purchase. The mortgage and judgment thereon should bind lessees and others claiming by title created after the mortgage.

Summons and rule *nisi* for judgment should in all cases founded on mortgage be affixed on the land affected.

29. No. The purchaser might be allowed to enter into possession on payment of the purchase money in full, or on giving security to answer for waste between the payment of the deposit and of the balance within the time fixed by the conditions of sale.

30. The libel should be accompanied (in the case of damages and of complicated accounts) by an affidavit of the amount due, in a form to be prescribed by Ordinance.

We have, &c.,

DODWELL F. BROWNE.	F. C. LOOS.
C. P. LAYARD, JR.	J. W. VANDERSTRAATEN.
JOSEPH GRENIER.	F. J. DE SARAM.
FREDERICK DORNHORST.	FRANK LIESCHING.
H. L. WENDT.	

I WOULD wish to suggest in reply to No. 27, that crop on the land at date of seizure should remain the property of any mortgagee to whom it had been specially mortgaged or hypothecated, and that the land writ should not catch any crop till the next season. Thus the seizure by the land mortgagee will terminate the hold of the crop mortgagee over all crops after the then current year, and the latter will always be cautious not to advance beyond the value of the crop of the current season, unless the land mortgagee expressly agreed to abstain from enforcing his bond.

D. F. BROWNE.

I REGRET to say I cannot assent to the answers to question 28 as they at present stand, though I should be prepared to do so if they applied only to those cases where the judgment-mortgagee-creditor's decree had been registered prior to the sale under the writ of the simple or puisne mortgage creditor.

With reference to the last part of the answer 28 (2)—it seems to travel beyond the range of the question. I would suggest that it should be required that notice of action taken on the mortgage should be given [as in the case of a mortgagee exercising the power of sale (see answer 10)] by the mortgagee to all such lessees and others claiming by title created after his mortgage as have given him notice of their claim (together with their addresses in Ceylon) such notice to be deemed sufficient if sent by registered post duly directed to them at such address.

FRANK LIESCHING

X.—Mr. Proctor J. Prins's Paper.

1 I cannot consider the present law of mortgage defective. I think only the management of it is.

2. (1) Some change may be desirable in legal and tacit hypothecs. (2) Such as are suggested in subsequent answers.

3. See answers to Question XXX. and others.

4. Yes. In such case the proceeds, if they do not cover his claim, should be accepted in full discharge of the claim, unless he has other mortgage security available, or the debtor more property.

5. It is for the mortgagee to decide in the first instance. If the bond does not covenant for the mortgagee's having possession under certain contingencies, it should be a matter of arrangement between mortgagee and mortgagor, if possible.

When a mortgagor in wantonness allows his creditor's security to be depreciated, or, being unable to maintain it himself, will not allow his creditor to do so in the interests of both, I think the creditor should, on satisfying the Court by affidavit on either point, be placed in possession, under recognizance or not at the discretion of the Court, to maintain his security until it could be realized. He should have this privilege whether the bond contained covenants for maintenance or not. This, of course, would not be necessary when immediate realization is practicable.

This is rather a ticklish subject to handle in the face of "Corbet *vs.* The Ceylon Company."

6. When a mortgagee accepts definite security, it must be presumed that he is quite satisfied with its nature and extent. If he finds his security falling in value, from any cause, he should have the sense to realize it with all practicable speed. If he chooses to wait until his security becomes all but worthless, perhaps, and then realizes, he should not be allowed, by purchasing the mortgaged property for a nominal sum, to proceed for any balance against the other property of his mortgagor. The only remedy I could suggest is that the Court should have the power when issuing execution to direct the Fiscal to put up the mortgaged property for sale at a certain figure as the upset price. How the Court should satisfactorily arrive at such figure is a matter for procedure.

7. (*a*) Let the mortgagor realize his security whenever he chooses A solvent mortgagor ought to be able to protect his own interests. If his creditor is importunate, his solvency should enable him to get the money elsewhere.

(*b*) Realize the security with all practicable speed

(*c*) The same, unless the mortgagee is satisfied with the directions in his mortgagor's will for the maintenance of his security.

Legal representatives might be proceeded against without any difficulty; but where there is no legal representative, and it is found necessary to proceed against heirs whether in possession or not, the mode of procedure should be more direct and simple than it is at present.

(*d*) The mode of procedure against third parties in possession should, I think, be the same as that against heirs.

A devisee might be proceeded against as a legal representative might be.

(*e*) Realize with all practicable speed.

(*f*) No mortgagor should be absent from the Island without having some one to represent him, unless he were suddenly prevented by serious illness or other unavoidable cause. In this case, I think, a mortgagee should have the same facility to realize his security as coolies have to recover their wages.

8. I do not think a mortgagee should have such power without the leave of Court. But he should be able to obtain such leave readily. (See answer to question V.)

9. Under no circumstances in this country. The power of sale under certain contingencies might be given by covenant in the bond; and the mortgagor might then be compelled to sell, or join the mortgagee in the conveyance on sale. I think that in no case, save a judicial sale, should the mortgagor not be a party to the conveyance. (See answer to question XII.)

10. I think they are sufficiently protected by law.

11. Yes; after notice to all other mortgagors, whether prior or subsequent.

12. There should be no difficulty under a contractual power, if any, in the bond. If the mortgagor prove obstructive, the mortgagee would have his remedy for specific performance of the contract as covenanted by the bond; and the mortgagor should be compelled to execute or join the mortgagee in the conveyance on sale, or the Court might grant a certificate of sale as in other cases.

The sale of mortgaged property by the Fiscal used to be a very simple proceeding. I cannot see why it should be otherwise now.

13. I think not; such a stipulation should be a special covenant in a contract of mortgage.

14. I think it should; but at the sale, all existing registered incumbrances on the property should be disclosed.

15. Yes; but I think notice of the consequences of such a sale should be given to all lower incumbrancers. They need not be made parties to the suit and put to unnecessary expense.

16. The only means to make such a thing possible would be, I think, for the Court to proceed as suggested in answer 6.

All lower incumbrancers in accepting their already burdened security do so with full knowledge of its nature and extent, it must be presumed. I cannot see why a prior incumbrancer should be put to any loss or inconvenience for their benefits.

17. (See answer 6) If there are no bidders, the Fiscal should so return and ask the Court for its orders.

18. Yes; if the mortgaged property be the special mortgagee's, *only* security, unless the debtor have more property available. If he has more of such security, his claim might be reduced *pro tanto* at an assessed value, or to the extent of his purchase, with his consent. I cannot see why a special mortgagee should not, if he so desire, be allowed to retain his rights over his remaining security for any balance of his claim.

19. I do not think he should without a mortgage decree. This should be readily obtainable. In case of any unavoidable delay in obtaining such decree, the Court should have discretion to restrain, by injunction or otherwise, any sale of mortgaged property at the instance of an unsecured creditor until the special mortgagee is in a position to realise his security. There might be collusion between mortgagor and unsecured judgment creditor. Notice of sale should, I think, be given to all lower incumbrancers as suggested in answer 15.

20. Such a contract, if covenanted by the bond, would, I think, be a kind of revival in part of a general mortgage.

If by contract here is meant an agreement with parties *after judgment;* or if a special mortgagee be allowed by law to recever his specially-secured debt against his debtor's property other than his special hypothec, I do not think he should be allowed to compete with unsecured creditors for the proceeds sale of such other property unless his special hypothec has been realized or surrendered, or taken by him at an assessed value.

21. The surety's property should not be attached or sold without his consent, unless the principal debtor's property has been realized and found insufficient.

I have known instances where all the special mortgagor's security has been the property of the surety, and nothing of the principal beyond his personal obligation. In such case, of course, there would be no alternative.

22. Stipulated how ? I suppose by *surrendering* his property for sale in lieu of his principal's special hypothec, and the creditor electing to realize his debt by such sale. I think that such election should be in writing, or of record in the cause, and should operate as an immediate assignment of the creditor's rights to the surety; and the surety should have the privilege of proceeding in the same suit to realize his principal's property. Such a procedure may seem paradoxical ; but I do not think it impossible of adoption. Before the surrender by the surety be acted on, the principal debtor should have notice.

23. If a secured creditor, instead of proceeding by suit for a mortgage decree in the event of his mortgagor becoming insolvent, could be allowed to prove his claim and realize his security in and by the Court of Insolvency, as he could by a mortgage decree, I think it would be to the benefit of all concerned in the insolvent's affairs. Instead of the Fiscal, the assignee might carry out the sale and execute the conveyance under the Court's orders.

24. The special mortgagee should, if he so desire, be placed in possession of his security until he could realize it, as suggested in answer 5. If executors do not prove a will, or administration be not taken by those interested, the secretary might obtain administration upon the creditor placing him in funds for that purpose. The creditor might then proceed for a mortgage decree, or the administrator, with his consent and leave of Court, might sell the property and pay his claim.

Regarding acceptance by the heirs at our law in the absence of probate or administration some defined procedure is, I think, necessary.

25. Yes ; perhaps for the purpose of sequestering or "arresting" the property. But what would be the nature of further proceedings for realizing the security ? May not the mortgagee, if he so desire, be placed in possession of the property, and maintain it until he can realize his security, as suggested in answer 5, proceeding against the mortgagor, if alive, in the usual course ? If the mortgagor be dead, the course suggested in answer 24 might be adopted.

26. I do not think he should. Where a creditor had actual notice or knowledge, either at the date of the registration, or at the date of the execution of his mortgage, of an existing previous mortgage, whether it be mentioned in his contract of mortgage or not, he should not be allowed to gain priority by mere priority of registration.

If a debtor execute a subsequent mortgage, concealing the existence of a prior one, whether it were registered or not, or whether the subsequent mortgagee or his Notary had the means of otherwise knowing of such a prior mortgage or not, such a debtor, I think, should be very severely punished.

27. I think not. The bond should also contain a special hypothec of the crops and produce.

Where there is no special hypothec of the crops and produce, I think the mortgage should attach immediately on judicial decree, subject however to any existing special hypothec. Decrees are very seldom registered. In this instance, if the creditor fail to register his decree, I think the mortgage should not attach until seizure by the Fiscal. A special mortgagee might be allowed to hold his mortgage decree without registering or realizing it as long as he pleases, but at his own risk, and not to the prejudice of his debtor or any other mortgagee.

28. He should not be hampered by a fresh action against the new proprietor. Such a sale should not, I think, be allowed to interfere with his rights at all, especially if his mortgage decree were registered ; unless he were guilty of gross laches in realizing his security to the prejudice of the puisne mortgagee or other creditor or his debtor. The new proprietor would be expected to satisfy himself beforehand of the incumbrances on the property.

A demand for payment should be made of the new proprietor ; and if he fail to pay, the judgment-mortgage-creditor should be allowed to proceed as if the property had not changed hands or his debtor had died after his judgment.

I think the new proprietor might, if he chose, be allowed to impeach the mortgage debt, but the proceedings for deciding upon his grounds for doing so should be summary, and in the same suit if possible.

29. I think the title should in no case pass on a Fiscal's sale until the whole of the purchase money has been paid, unless with the execution creditor's consent in writing on the conditions of sale. If default be then made by the purchaser, and any loss arise by resale, it should fall on the execution creditor and not on the debtor.

30. Mortgage decrees or judgments are mostly obtained by default. Written admissions are exceptional. Very few suits for liquid mortgage debts are contested.

In the absence of a written admission, I think judgment in the case of a liquid mortgage debt should be signed upon proof of summons served, with an affidavit, if required by the Court, of the plaintiff or his agent in his absence, that the debt is *bonâ fide* due. A longer interval than four days might be allowed to the defendant to appear *and answer.* If the defendant should want more time to answer, he should satisfy the Court by affidavit of a good defence on the merits. Otherwise judgment should be signed without any further notice. The objection to only summons might be a false return of service, a not uncommon thing.

Warrants of attorney to confess judgment might be more availed of upon proof, by affidavit, that payment had been duly demanded before action brought.

The Ordinance 8 of 1856 is little availed of for obvious reasons.

In the case of debt other than a purely liquid one, such as accounts or damages, I think the creditor should be made to prove his claim before obtaining judgment ; and the defendant in default should have notice of the day when proof would be given.

This salutary rule has been introduced in the District Court of Colombo by its present Judge in *ex parte* land cases

Colombo, August 3rd, 1885. J. PRINS.

XI.—Mr. Advocate F. Dornhorst's Supplemental Paper.

As I have joined my brother lawyers in answering the several questions, I wish to confine my remarks to the first and second The present Law of Mortgage is defective in the following respects, and I have suggested some amendments which may help to cure the defects.

1. The law is not certain whether a mortgagee has or has not right to claim the proceeds realized by sale of his security at a Fiscal's sale under the writ of an unsecured creditor. If the Fiscal can deal with only the right, title, and interest of the debtor—what in English Law is the equity of redemption—one fails to see what right a mortgagee can have to the proceeds If, on the other hand, a Fiscal's sale is of the property outright, then no doubt the mortgagees would rank by order of their priorities in the discussion of the proceeds, which in that case would stand in place of the land sold. I think the law should not be left in the uncertain state in which it now is. Either a judicial sale must be of the property outright, and mortgagees must after notice claim proceeds, or, better, the mortgagee should be allowed his remedy against the land and be shut out from claiming the proceeds. I think, too, the right of election, which the law now recognizes, ought to be taken away altogether.

2. The present law permits a mortgagee to buy up his security for a mere nominal sum and then go against the other property of his debtor. This is a defect for which a remedy has been proposed by us in the joint answers sent in.

3. The difficulties under the present law, which beset a mortgagee purchaser in getting possession, should be removed. It often happens that somebody gets into possession and resists the mortgagee purchaser, or a stranger purchaser, under the primary mortgagee's writ, who is forced to bring a second action and has to prove again the mortgage debt. I think there ought to be some summary procedure by which such purchasers should be able to get possession. I also think that a judgment obtained by a primary mortgagee ought to bind every one claiming under the mortgagor by a title either of demise or purchase created subsequent to the mortgage, and as regards a stranger in possession, such judgment should be *primâ facie* evidence of the debt, and such purchase should be *primâ facie* evidence of title, until the party in possession shows the contrary. The burden in the summary enquiry should be upon such party in possession, although the proof is of a negative, namely, that the debt is not due and that the purchaser acquired no title. One effect of the law, which now necessitates a fresh action against the party in possession is, that it considerably lessens the value of property, because intending purchasers cannot but be deterred by the prospect of future litigation; and both mortgagor and mortgagee suffer in consequence. I think, too, it should be clearly laid down that a primary mortgagee is not bound to sue any other than his mortgagor, unless he has had notice of the transfer of the property to a third person, who ought then to be given an opportunity to redeem the mortgage.

4. The Fiscal should be empowered to give a purchaser under the mortgagee's writ a conveyance of the property.

5. Some facilities should be provided for enabling the primary mortgagee to attach the security when his mortgagor is absent from the Island or is dead. The procedure by proclamation in the one case, and taking out letters of administration in the other, is cumbrous.

6. Doubts have also been raised whether an assignee in insolvency can be sued in a mortgage suit. These doubts should be removed: either the assignee must be bound to redeem the mortgage within a reasonable time after the insolvency, or the primary mortgagee must be allowed his remedy against the land by making the assignee a defendant in the suit. The right of proving, too, should be restricted to the balance after the true value of the security is ascertained. It is monstrous, I think, to allow a mortgagee to buy the security for a few rupees and then prove for the balance with unsecured creditors.

7. Some facility should be afforded of reaching the security when there is a return of *non inventus*. I am personally acquainted with a case in which the mortgagee finds it difficult to get in even some portion of his money. His mortgagor cannot be found, and is supposed to be dead; no one knows who his heirs are Why should not the court, on being satisfied that the man is not to be found, or is dead—that the creditor does not know who the heirs are—that the value of the property will not repay the expenses of administration—be empowered to decree a sale after due publication and notice?

8. I think also the difficulties which have been raised (1) as to whether sales by Fiscals should be confirmed by the Court, and (2) whether grants of transfers by the Fiscal should be under order of Court, should be removed by clear and definite legislation

F. DORNHORST,
Advocate.

14th August, 1885.

V.—1885.

PUBLIC INSTRUCTION DEPARTMENT.

REVISED CODE FOR AIDED SCHOOLS, 1886:

TOGETHER WITH

A NOTIFICATION OF AMENDMENTS.

PREPARED BY

THE DIRECTOR OF PUBLIC INSTRUCTION.

Ordered by His Excellency the Governor to be Printed.

Colombo:
GEORGE J. A SKEEN, GOVERNMENT PRINTER, CEYLON.

1885.

CODE FOR AIDED SCHOOLS, 1886.

PRELIMINARY CHAPTER.

1. A sum of money is annually voted for grants-in-aid.

2. These grants are administered by the Department of Public Instruction, hereinafter called the Department.

3. The object of the grant is to *aid* local exertion, under certain conditions : (*a*) to maintain schools ; and (*b*) to train teachers.

4. Aid to maintain schools is given by annual grants to the managers, conditional upon the attendance and proficiency of the scholars, and the state of the schools.

5. No grant is made in respect of any instruction in religious subjects.

6. Officers are employed to verify the fulfilment of the conditions on which grants are made, and to report the results to the Department. For the convenience of managers the instructions of the Department, issued to these officers, will be published annually as an appendix to the rules and regulations for grants-in-aid, hereinafter called the code.

7. These officers are appointed by Government and are called inspectors or assistant inspectors.

8. No grant is paid except on a report from one of these officers that the conditions of the grant have been fulfilled.

9. The Department, at the time of agreeing to make grants to schools, informs the managers in what month to look for the inspector's annual visit. This month remains the same from year to year, unless the Department informs the managers of a change. Notice of the day of the inspector's annual visit is given beforehand to the managers.

10. An inspector, or assistant inspector, may visit any aided school at any other time without notice.

11. No undertaking should be commenced in general reliance upon aid from Government. Grants cannot be claimed for any school, irrespective of the circumstances of the case and the limits of the sum at the disposal of Government. Should a grant be refused the reason for its refusal will be communicated to the applicants.

12. As a general rule, no application will be entertained for aid to a boys' school when there already exists a flourishing boys' school of the same class within two miles of the proposed site, without some intervening obstacle, unless the average daily attendance for six months prior to the date of application exceeds 60. An anglo-vernacular school will be considered as of the same class as a vernacular school.

12 *a*. Every application for the registration, change of site, or transfer of management of a school will be notified in the "Government Gazette."

13. The proprietors of a school must appoint a correspondent with the Department, who will be hereinafter called the manager, and must give notice of any change of correspondent. Teachers cannot act as managers of, or correspondents for, the schools in which they are employed.

13 *a*. Before any grant is made to a school, the Department must be satisfied that the school is not carried on under the management of any person or persons who derive emolument from it.

14. No article in this code shall be revoked, altered or amended without the previous sanction of the Governor and Executive Council, and any such revocation, alteration, or amendment shall be published in the "Government Gazette."

15. The code shall be printed each year in such a form as to show separately all articles cancelled, or modified, and all new articles since the last edition, and shall be laid on the table of the Legislative Council within one calendar month from the opening of the session.

16. The schedules annexed to the code, including the instructions issued to Inspectors, shall have the same effect as the articles of the code, and shall be subject to the provisions of articles 14 and 15.

CHAPTER I.

ANNUAL GRANTS.

SECTION I.—*Preliminary Conditions.*

17. The managers of aided schools must furnish all returns that may be required by the local Government or by the Department.

18. Managers of private schools unconnected with any recognised society or public body will be required to give substantial security for the maintenance of such schools for a period of not less than three years before they can be entered on the register. A form of bond to be entered into in these cases may be obtained from the Director of Public Instruction.

19. Applications for grants must invariably be made on forms supplied for that purpose by the Department.

20. Before any grant is made to a school, the Department must be satisfied that—

(*a*) Scholars are being instructed in at least two of the standards set forth in schedules B., D., E.

(*b*) The average daily attendance for three months prior to the application is not less than

(*a*) *In towns.**

In a boys' school	50
In a girls' school	30
In a mixed school of boys and girls ...	60

(*b*) *In villages.*

In a boys' school . ..	30
In a girls' school	20
In a mixed school of boys and girls ...	30

(*c*) *In C. schools* (*Vide infra.*)

In a boys' school	15
In a girls' school	10
In a mixed school of boys and girls ...	15

(*c*) The girls in a girls' school are taught plain needle work as part of the ordinary course of instruction.

(*d*) Registers of admission and daily attendance are accurately kept, and that the rules for keeping school registers printed on the first page thereof are carefully carried out, and that the registers are marked every time the school meets, and that adequate time is allowed in the Time Table for marking the registers, and that the returns furnished are trustworthy, and that

(*e*) The school buildings, furniture, and apparatus are sufficient according to the requirements for registration, and in good repair.

21. Any school accepted by the Department which ceases to fulfil any of the above conditions, or which fails to earn 50 per cent. of passes at the annual examination, will, unless satisfactory reasons be furnished to the Department, be removed from the list of aided schools. If the manager wishes to revive at any time a school removed from the list, application must be made in the same form as for a new school.

22. Grants are made on the same terms to all practising schools attached to training schools.

SECTION II.—*Registration.*

23. Schools may be registered for grants-in-aid either as vernacular, Anglo-vernacular, or English schools, and as primary, middle, or high schools.

Vernacular Schools.

24. Vernacular schools may be registered as primary, middle or high schools.

Vernacular primary schools are schools in which no scholar is presented for grant above standard V.

Vernacular middle schools are schools in which scholars are presented for examination in any standard above standard V.

No vernacular primary school will be examined as a middle school unless it has been registered as a middle school during the year preceding the examination, and unless it has already presented successful candidates in the Vth standard.

A vernacular middle school may include a primary school.

Vernacular high schools are schools in which scholars are instructed in classical Sinhalese, Sanskrit, Páli, or Tamil literature. Grants to such schools are only made in exceptional circumstances, and every application for such schools will be considered by the Government on its special merits.

Anglo-Vernacular Schools.

25. Middle vernacular schools may present for examination in English all or any scholars who have passed the IVth standard. Such schools are hereinafter called Anglo-vernacular schools. No school will be examined as an Anglo-vernacular school unless it has been registered as such during the year preceding the examination. Scholars may be presented for English passes in any of the four English standards, but no scholar will be examined twice in the same standard.

English Schools.

26. English primary schools are schools in which no scholar is presented above the Vth standard.

English middle schools are schools in which scholars are presented for examination in standards VI., VII. or VIII.

English high schools are schools in which scholars are presented for examination at the Cambridge local examination, or for Matriculation at the University of Calcutta or Madras, or in any of the specific subjects of examination enumerated in Schedule C.

An English middle school may include a primary school, and a high school may include middle and primary schools.

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* NOTE.—The places to be considered as towns for the purposes of this Code are as follows :—

Western Province.	*Within*
Colombo ..	Municipal limits.
Kalutara	Police limits.
Negombo ..	do.
Southern Province.	
Galle ...	Municipal limits.
Mátara ...	Police limits.
Central Province.	*Within*
Kandy	Municipal limits.
Eastern Province.	
Batticaloa ...	Police limits.
Trincomalee	do.
Northern Province.	
Jaffna ...	A radius of 1½ mile from the Fort.

No English primary school will be examined as a middle school unless it has been registered as such during the year preceding the examination.

27. No school will be registered as an English high school unless the Department is satisfied :—

(*a*) That the teaching staff is sufficient in number and quality.

(*b*) That the managers are in a position to guarantee the stability of the school.

28. Middle and primary schools may be registered as A., B., or C. schools.

A. Schools.

(*a*) Before a middle or primary school is registered as an A. school, the Department must be satisfied that the school buildings are expressly adapted for school purposes ; that they afford sufficient accommodation, and are kept in good repair.

(*b*) That the school is not surrounded by other buildings to such an extent as to exclude light and air, and that particular regard is paid to health and cleanliness both in the persons of the pupils and in the arrangements and condition of the school premises.

(*c*) That the supply of school materials, maps, and other appliances for teaching, desks, black-boards and other furniture, books, writing materials, &c., are in sufficient quantity, and in good order.

(*d*) That the regular work of the school is conducted in an orderly and disciplined manner, and in accordance with a satisfactory time table.

B. Schools

29. Upon the report of the inspector that an A. school does not fulfil these conditions, notice shall be given on form to the manager, and if at the next annual examination the requirements of the code are not satisfied, the result payments will be made on a lower scale, the value of a pass in any standard or subject being R. 1. The school will then be classed as a B. school.

30. New schools may be accepted provisionally as B. schools until the manager has time to complete new buildings and provide suitable furniture, but no school shall be allowed to remain on the B. list for more than one year. After that time, if the Department is not satisfied, it will be removed.

Examination.

31. Managers of schools may claim after the annual examination—

(*a*) For every scholar presented in standards I.—VIII., a sum calculated on passes achieved according to schedules F., G.

(*b*) No grant will be allowed for any scholar who shall have received less than nine months' instruction, during the twelve months immediately preceding the examination, in the school in which he is examined, and who shall have made less than 100 attendances.

NOTE.—In reckoning nine months' instruction, the month fixed for the examination may be included. The month of admission is not to be included unless the scholar is admitted on the first school day of the month.

(*c*) At a first examination, scholars may be grouped in any standard fixed by the manager, but scholars may not be presented a second time for examination under the same standard unless they fail to pass in more than one of the first three heads. If they fail to pass in more than one of the first three heads they will be considered to have failed altogether, and no result payment can be claimed for them.

(*d*) No grant will be allowed for any scholar over twenty years of age on the day of examination.

(*e*) No grant will be made for any scholar in standard I. who is over twelve years of age.

(*f*) No scholar shall be eligible for examination unless he shall have been protected from small-pox by having previously had that disease or by vaccination.

(*g*) Schools in which the scholars presented fail to earn 20 per cent. of passes in any one of the subjects, *Reading*, or *Writing* or *Arithmetic*, will receive result payments as B. schools.

(*h*) Falsification of the register will involve forfeiture of half the grant for the year, and in the case of certificated teachers the certificate will be suspended.

(*i*) Due notice having been given of the date of examination of any school, if the inspector finds that the school is not ready on the day of his visit, the expenses of the inspector's second visit will be deducted from the grant earned by the school, but the Department does not bind itself to hold a deferred examination.

(*k*) No grant can be claimed for any girl taught in a school registered as a boys' school, or for any boy over ten years of age taught in a school registered as a girls' school. No school will be examined as a mixed (boys' and girls') school unless registered as such.

(*l*) The grants will be paid, if possible, within three months of the day of examination.

C. Schools.

32. Schools in outlying, sparsely-populated and neglected districts, unable to fulfil the conditions attached to A. schools, may be registered as C. schools under the following regulations :—

(*a*) All scholars presented for examination without limit of attendance will receive the same grant as A. schools for passes achieved, but no child can be examined twice in the same standard.

(*b*) An average daily attendance for three months of fifteen boys or ten girls, or fifteen boys and girls in a mixed school, will be accepted as sufficient in application for registration as C. schools.

(*c*) In all other respects the regulations applying to A. schools will apply to C. schools

INDUSTRIAL SCHOOLS

33. Applications for grants-in-aid to industrial schools will be entertained on the following conditions :—

(*a*) The school shall teach a trade or trades to be approved by the Department.

(*b*) The workshops must be sufficiently provided with appliances for elementary instruction in the trade or trades to which the school is devoted.

(*c*) The master of each workshop must be qualified to teach his trade.

34. The managers of an industrial school registered by the Department may claim, in addition to the general grants, for each boy above the age of ten years certified to have been in regular attendance for nine months since the previous annual inspection of the school, and to have received instruction in the workshop for not less than three hours daily, a grant of five rupees.

Form of Certificate.

I, *A. B.*, manager of the registered industrial school , certify that every boy on this list has regularly attended this school for nine months since the date of the last annual inspection, and has received instruction in the trade specified opposite to his name for three hours daily on not less than 100 days.

Name.	Age.	Trade.	Number of attendances.

GIRLS' DAY SCHOOLS.

35. In girls' day schools an allowance will be made for needlework. (Schedules F., G.)

Each girl shall be required to produce a specimen of needlework done in the presence of the Inspector, according to the following scale of Standards :—

STANDARD I

Neat hemming

STANDARD II.

Hemming, sewing and felling so as to be able to make a bag ; also patch-work.

STANDARD III.

The former stitches and back-stitching, to be able to make pillow-cases; also marking

STANDARD IV.

As before, and to put in a neat gusset so as to make their own jackets

STANDARD V

Stitches as before, also button holes and darning, and to be able to cut out a jacket.

STANDARD VI.

As in the previous standards; also to be able to cut out and make under-jackets. Knitting *may be taught in this Standard.*

STANDARD VII.

As before ; also to be able to put in a neat patch and to make a little child's frock, pinafore, or shirt ; knitting.

STANDARD VIII.

As before, and to cut out and make a plain shirt with yoke back and gathered sleeves put into wristbands ; knitting.

GIRLS' VERNACULAR AND ANGLO-VERNACULAR BOARDING SCHOOLS.

36. In girls' vernacular and Anglo-vernacular boarding schools the value of a "pass" will be twice the value of a corresponding "pass" in day schools. (Schedule G., Note.)

37. When the day-girls do not amount to more than one-fourth of the number of boarders, their passes will be computed at the same rate as boarders. When the number of day-girls is in excess of one-fourth of the number of boarders, their passes will be calculated as for scholars in day schools. Applications for grants in favour of girls' vernacular and Anglo-vernacular boarding schools will be entertained without reference to the limitations prescribed in section 1, ¶ 20.

CHAPTER II.

SECTION I.

Teachers.

38. No new boys' school will hereafter be accepted as a grant-in-aid Anglo-vernacular, or vernacular A. school, unless the principal teacher holds a certificate or license from the Department, provided that in the case of vernacular schools desired to be established in backward districts, special circumstances may be submitted to the Department.

39. The certificates issued will be of three classes.

40. A third-class certificate will entitle the teacher to hold the appointment of principal teacher in a primary school.

41. A second-class certificate will entitle the teacher to hold the appointment of principal teacher in a middle school.

42. A first-class certificate will be given to teachers who hold second-class certificates only after five years' service either in the same school or in different schools under the same management: it will entitle the holder to an annual payment from Government in augmentation of salary, on conditions to be fixed hereafter.

43. A certificate of the third class will be issued to every registered pupil-teacher who has completed three years' approved service as pupil-teacher in conformity with the rules of the Department: it will be issued provisionally, and confirmed after two years' satisfactory probation, either as principal teacher of a primary school or as assistant teacher of a middle school on the certificate of the manager.

44. Provisional third-class certificates will be confirmed also after one year's training in an aided training school, provided that the holder shall have satisfied the examiners in the first year's examination.

45. A certificate of the second class will be issued to all students of a training school inspected by the Department who have completed two years' residence and passed the final examination to the satisfaction of the examiners appointed by the Department.

46. This certificate will not entitle the teacher to hold an appointment as head teacher of an Anglo-vernacular school unless he has passed the qualifying examination in English appointed for each year of the training school course.

47. A certificate of the second class will also be issued to any holder of a third-class certificate after three years' continuous service in the same school or in different schools under the same management, on the recommendation of the manager; provided that the candidate has passed the final examination required of the students of training schools. It will be issued provisionally and confirmed after one year's satisfactory probation as teacher of a middle school, certified by the manager and the Department.

48. Up to the 1st day of January, 1887, certificates will be issued :—

(*a*) Of the third class to any teacher who has been for three years in continuous charge of the same school or of different schools under the same management, and has presented scholars for examination at each annual inspection, and has earned result payments on not less than 50 per cent. of passes, on the certificate of the manager to his ability and industry.

(*b*) Of the second class to any teacher who has earned result payments, under the same conditions as above, in the VIIIth standard for three consecutive years immediately preceding the date of application for the certificate.

49. It shall be in the power of the Director to issue certificates of the second or third class to any teacher, who holds a certificate of competency from any recognized Normal school or training establishment in Europe or in any part of the British Empire or in America.

49 *a*. Licenses will be issued to teachers in grant-in-aid schools on the following conditions :—

A.—Licenses will be of two classes. Licenses of the second class will entitle the holder to hold an appointment as head teacher in a primary vernacular school. They will be issued to candidates who passed a satisfactory examination in the following subjects :—

Reading.—Good fluent reading, with comprehension, of a vernacular newspaper, public notice, school manual, or other book or document printed in correct modern Tamil or Sinhalese.

Writing.—To write a specimen of the penmanship used in setting copies of text-hand and small-hand; dictation.

Arithmetic.—As for VIth standard of vernacular schools, with vulgar fractions.

Geography.—Ceylon and Asia.

School Management.—Teaching a standard not higher than standard IV. in the presence of the examiner. Method of keeping school registers. Examination in the code for grant-in-aid schools.

B.—Licenses of the first class will entitle the holder to hold an appointment as head master of a middle vernacular or Anglo-vernacular school. They will be issued to candidates who passed a satisfactory examination in the following subjects :—

Reading.—Reading with fluency and expression from a classical vernacular book, with grammatical analysis.

Writing.—A short essay or letter; to write a specimen of the penmanship used in setting copies.

Arithmetic.—As for standard VIII.

History.—History of Ceylon.

Geography.—As for standard VIII.

School Management.—(1) To teach a class in the presence of the Inspector; (2) To answer questions in writing on the following subjects :—

a. The different modes of organizing a school;
b. The keeping of registers; the Code;
c. Notes of lessons; questions of discipline.

Candidates for Anglo-vernacular licenses will be required to pass in the English subjects required for the VIIIth standard in Anglo-vernacular schools.

Annual examinations for licenses will be held at such centres as shall be found most convenient for candidates.

50. After the 1st day of January, 1887, no principal teacher shall be appointed to any vernacular or Anglo-vernacular boys' school in receipt of grant, unless he holds a certificate or license of the Department.

51. After the 1st day of January, 1888, no grant will be continued to any vernacular or Anglo-vernacular boys' school which is not in charge of a teacher holding a certificate or license of the Department.

SECTION II.

Pupil Teachers and Training Schools.

52. In order to enable managers to meet the future requirements of the code, by the systematic training of students for the profession of teaching, grants will be made for (*a*) pupil-teachers and (*b*) training schools.

53. Pupil teachers are boys or girls selected by the manager to assist the teacher of a school in maintaining discipline, and instructing the lower classes.

54. In making this selection the manager is required only to observe the following regulations:—

(1) Before pupil-teachers are submitted to the Department for registration, application must be made in the form prescribed (schedule H.); they must have passed the Vth or a higher Standard in Reading, Writing, Arithmetic, and at least one additional subject.

(2) Pupil-teachers at the date of registration must be not less than 14 years of age, completed.

55. Pupil-teachers will be registered in such schools only as satisfy the following conditions:—

(*a*) The whole school must be favourably reported on by the inspector as regards

1.—Discipline.	3.—Premises, furniture, apparatus, &c.
2.—Instruction.	4.—Stability.

(*b*) The school must have obtained a grant for at least three years preceding the date of application, if an English school, in standards VI., VII., VIII.; if a vernacular school in standards V., VI., VII.

(*c*) To entitle a school to one pupil-teacher, the average number of pupils examined for a grant during each of the three preceding years must be not less than forty; for every additional fifty in average attendance during three successive years, a school will be entitled to an additional pupil-teacher; but not more than two pupil-teachers will be registered for any school during the same year.

56. The course of studies for pupil-teachers is laid down in schedules I. and J.

57. Every pupil-teacher presented for examination must produce a certificate from the manager of his school in the prescribed form (schedule K.).

58. No pupil-teacher can be presented for his first examination within nine months of the date of registration.

59. The inspecting officer examining the school for a grant will at the same time examine the pupil-teacher in the subjects laid down, and will require him or her to give a lesson in his presence to one of the lower classes. If he is satisfied with the candidate's proficiency, he will sign the certificate, upon which the manager may claim a grant.

60. If a candidate fail to satisfy the inspector, he may be presented again at the next annual inspection, in the same subjects of examination, but no result-payments for a candidate who fails can be claimed at the time of failure.

61. Grants will be made for pupil-teachers as follows:—

First year's Examination.

English schools, Rs. 50 + grant in full for VIth standard pass.
Anglo-vernacular and vernacular, Rs. 30 + grant in full for VIth standard pass.

Second year.

English schools, Rs. 75 + grant in full for VIIth standard pass.
Anglo-vernacular and vernacular, Rs. 50 + grant in full for VIIth standard pass.

Third year.

English schools, Rs. 100 + grant in full for VIIIth standard pass.
Anglo-vernacular and vernacular, Rs 75 + grant in full for VIIIth standard pass.

NOTE.—The additional grant for a pass in any standard will not be paid on account of any pupil-teacher who has already earned a grant in the same standard.

TRAINING SCHOOLS.

62. Grants-in-aid will be made to vernacular and Anglo-vernacular training schools, for male or female teachers, under certain conditions.

63. The Department must be satisfied that

(*a*) The staff of teachers is sufficient in number and quality;
(*b*) The managers are in a position to guarantee the stability of the school;
(*c*) There is a practising school, in which students may learn the exercise of their profession, either immediately connected with the training school or within easy reach, and under the same management.

Grants to Training Schools.

64. An examination of candidates for admission to training schools will be annually held in the month of December.

65. The examination will extend to all the subjects required of pupil-teachers in the course of their engagement.

66. Candidates who desire to qualify as Anglo-vernacular teachers will have to satisfy the examiners in the English part of the examination.

67. The candidates are selected and admitted to the examination by the authorities of each school on their own responsibility, subject to no other conditions on the part of the Department than that the candidates—

(*a*) Intend *bonâ fide* to adopt and follow the profession of teacher;
(*b*) Having been pupil-teachers, have successfully completed their engagement;
(*c*) Not having been pupil-teachers, or not having completed their engagement as pupil-teachers, will be more than seventeen years of age on the 1st of January next following the date of examination. At each examination a certain number of successful candidates, in proportion to the number of vernacular and Anglo-vernacular aided schools, will be appointed Queen's scholars.

68. The number of Queen's scholarships to be competed for annually by boys is at present fixed at 5 per cent. on the number of vernacular and Anglo-vernacular aided boys' schools.

69. The number of Queen's scholarships to be competed for by girls is fixed at 10 per cent. on the number of vernacular and Anglo-vernacular girls' schools.

70. The Queen's scholarships will be awarded to the most successful candidates presented for examination by each school, in the order of merit; provided that the number of Queen's scholarships to be allotted to any manager or managers shall not exceed 5 per cent. upon the number of vernacular and Anglo-vernacular schools under the same management

71. At the end of one year after admission to a training school as a Queen's scholar, an examination will be held in the subjects prescribed in schedule L., and the managers will be entitled to a grant of 100 rupees for every Queen's scholar who passes such examination satisfactorily. Queen's scholars who fail to obtain one-third of the marks in reading, or in writing, or in arithmetic, will forfeit their scholarships.

72 At the close of the second year there will be a final examination, and for each successful Queen's scholar the manager will receive the final sum of 150 rupees, making up the total value of the scholarship.

CHAPTER III.

Section 1.

Superior Instruction.

73 The assistance granted by the Department for the encouragement of superior instruction will be in the form of:—

1st.—Public examination.
2nd.—Payments on the results of examinations.
3rd —Scholarships and exhibitions

Public Examinations.

74. The examinations conducted by the Syndicate of the University of Cambridge for local examinations, hereinafter styled the senior and junior local examinations, will be the standard of examination, and will take the place of the local examination hitherto held. No marks obtained for the subject of religious knowledge will be allowed to count in awarding the scholarships, exhibitions and prizes referred to in this code.

The scholarships and prizes awarded are now thrown open to all candidates, whether coming from Government and Grant-in-aid schools or not.

Junior Local Examination.

75. On such day in each year as may be appointed the junior local examination will be held in Colombo, Kandy, Galle, and Jaffna, and in other places if it be required and found expedient.

76 The certificates of the University will only be awarded to students who pass this examination, except in the cases otherwise provided for, if under sixteen years of age on the 1st day of January succeeding the examination. Local certificates, prizes, and exhibitions may be gained by all students under seventeen years of age on the last day of the month appointed for the examination.

77. For every candidate fulfilling the conditions of age who shall pass this examination to the satisfaction of the examiners, the manager of the school at which he has received his education will be entitled to claim for each subject in which the candidate passes a grant of five rupees.

78. A book prize will be given to every candidate for each subject in which he passes in honors.

79 Three exhibitions—one of the value of rupees 240 per annum, and two, each of the value of rupees 120 per annum, tenable for three years either at the Royal College or at any registered high school, will be awarded every year to the three best candidates who shall pass this examination.

Senior Local Examination.

80. The senior local examination will be held under the same general conditions as the junior examination, on such day as may be appointed in each year The result payments, prizes and scholarships will be open to candidates who have not completed their 19th year on the last day of the month appointed for the examination.

81. For every candidate fulfilling the conditions of age who shall pass this examination to the satisfaction of the examiners, the manager of the school at which he has been educated will be entitled to claim, for each subject in which the candidate passes, a grant of ten rupees.

82. A book prize will be given to every candidate for each subject in which he passes in honors.

83. One scholarship of the value of £150, tenable for four years, will be awarded at these examinations to the student who, having been resident in the Island for the five years next before the

examination, shall pass the best examination in honors. The successful candidate will have to proceed to one of the Universities of Oxford, Cambridge or Dublin, or to one of the Scotch Universities, or to such other place of education as shall be approved of by the Governor, and will be required to gain such certificates of good conduct and progress as are usually awarded to meritorious students

SECTION 2.

Specific Subjects of Secular Instruction.

84. If the time-table of an English school in use throughout the year has provided for one or more specific subjects of secular instruction according to the table in schedule C.—

(*a*) A grant may be made for every such scholar presented in standards VI., VII., VIII., who passes a satisfactory examination in not more than two of such subjects besides drawing. The grant for a pass in stage 1 shall be Rs. 2 for each subject; in stage 2, Rs. 4 for each subject; in stage 3, Rs. 6 for each subject.

(*b*) Any scholar who has previously passed in standard VIII. may, if qualified by attendance, be presented in not more than three of such specific subjects besides drawing.

CHAPTER IV.

VERNACULAR LITERATURE IN ENGLISH SCHOOLS.

85 English schools in which systematic instruction is given in a vernacular language and literature will be allowed to present scholars for vernacular passes in standards VI., VII., and VIII. of the subjects appointed for vernacular schools.

86. No scholar who has failed in the English part of the examination can be presented for a pass in vernacular literature, the value of which will be the same as in vernacular schools.

APPENDIX.

Schedule A.

UNIVERSITY OF CAMBRIDGE REGULATIONS FOR LOCAL EXAMINATIONS.

[The Regulations for the Examinations to be held in December, 1886, will be issued to Managers of Grant-in-aid high schools as soon as received.]

Schedule B.

STANDARDS of Examination for English Schools.

	Reading.	Writing.	Arithmetic.	Geography.	History.
Standard I.	A few sentences from a First Book (at least 30 pages) distinctly and accurately pronounced.	To form letters, small and capital, on slate or black-board.	Notation to hundred, addition orally of numbers whose sum does not exceed twenty, and subtraction of digits.		
Standard II.	A few sentences from a Second Book slowly and distinctly read.	To copy in manuscript characters a line of print on slate or black-board, and write from dictation a few common words. Copy-writing (single letters in large text) must be shown in this standard.	Simple addition and subtraction of numbers containing not more than five figures. Multiplication to 3 times 12.		
Standard III.	Clear and intelligible reading from a Third Book.	To write from dictation, words and short sentences from the reading book, slowly read and then dictated. Copy-writing in large round text must be shown in this standard.	The four simple rules. Miscellaneous questions.		
Standard IV.	Good and intelligent reading from a Fourth Book. To point out nouns, verbs and adjectives in passage read.	To write a connected passage from the reading book, slowly read and then dictated. Copy-writing in small round text must be shown in this standard.	Use of rupees and cents, bills of parcels, simple problems.	Definitions. Use of Map of Ceylon.	
Standard V.	Good and intelligent reading from a Fifth Book with particular regard to emphasis. Parsing a simple sentence.	To write about eight lines slowly dictated from the reading book. Copy-writing in a running hand must be shown in this standard.	Reduction of common weights and measures and their application to foregoing rules, and the use of English money.	General description of figure of the Earth. Europe.	Ceylon.
Standard VI.	The same, from any book containing selections from good English authors. Parsing with analysis of a simple sentence.	To write to dictation from any newspaper or book.	Practice, simple and compound proportion.	General description of the ocean. Europe and Asia.	Outline of English History from 1066 to 1485.
Standard VII.	Reading with fluency and expression from any newspaper or book brought by the Inspector. Parsing and analysis of a short complex sentence.	Writing from memory the substance of a short story read out twice; spelling, handwriting, and grammar to be considered.	Vulgar and decimal fractions.	General description of the earth's surface. British Empire.	Same, from 1485 to 1688
Standard VIII.	The same, with recitation of not less than fifty lines of prose or poetry. Meaning and allusions to be known, and if well-known to atone for deficiency of memory. Parsing and analysis of prose or poetry.	A short theme or letter; the composition, spelling, grammar, and handwriting to be considered.	Interest and discount with exercises on all the foregoing rules.	Physical and political Geography of the World.	Same, from 1688 to 1815

1.—Scholars may not be presented a second time for examination under the same standard, unless they fail to pass in more than one of the first three heads. If they fail to pass in more than one of the three first heads they will be considered to have failed altogether, and no result payment can be claimed for them.

2.—Reading may be tested in the ordinary class book, if approved by the Inspector; but the books must be of reasonable length and difficulty and unmarked. Every class ought to have two or three sets of reading-books. Managers are requested to send a copy of all reading books used to the department, with an intimation of the standard for which they are intended.

3.—Copy-writing is to be done on paper in the presence of the Inspector.

Schedule C.

	1 Mathematics.	2 Latin.	3 Mechanics.	4 Animal Physiology	5 Botany.	6 Drawing.	7 Chemistry.	Physics. 8 Light and Heat.	Physics. 9 Magnetism, Electricity
First Stage ...	Algebra: notation, addition, subtraction, Euclid, Book I., propositions 1 to 15, inclusive.	Grammar to the end of regular verbs.	Elementary knowledge of the different states of matter—solid, liquid, and gaseous—with illustrations of compressibility, elasticity, and resistance. Measures of space, and time, velocity.	The build of the human body: names and positions of the internal organs	Characters of the root, stem, leaves, and parts of the flower, illustrated by specimens of common flowering plants.	Free hand drawing from flat examples.	Elementary and compound matter, illustrations of combination and decomposition in such bodies as hydrochloric acid, water, oxide of mercury, and rust of iron.	General notions respecting the formation of shadows and the reflection of light. The formation of images by a looking glass. The three modes in which heat may be conveyed from one place to another. Effects of heat, expansion, melting, boiling, and evaporation	Attraction, repulsion, and polarity as illustrated by the magnet, terrestrial magnetism and the mariners' compass.
Second Stage...	Algebra, to simple equations (inclusive). Euclid, Book I.	Irregular verbs and first rules of Syntax. Knowledge of Delectus or other first Latin reading book. Translation of simple sentences of English (three or four words) into Latin.	Elementary knowledge of force and of the conservation of energy. The parallelogram of forces. General notions of gravitation.	Circulation and respiration and the broad structure of the organs concerned.	Structure of wood, bark and pith, cells and vessels. Food of plants and manner in which a plant grows. Functions of the root, leaves, and different parts of the flower.	Free-hand drawing from models.	Preparation and properties of the common gases, such as oxygen, hydrogen, and nitrogen, and chlorine. The chemical character and constituents of pure air and pure water, and the nature of the impurities sometimes found in both. The air-food of plants.	Refraction of light, appearance of objects under water, separation of white light into its components by a prism explanation of the thermometer. The disappearance of heat in the melting of solids, and the boiling of liquids	Attraction of light bodies by rubbed sealing wax and glass. Experimental proof that there are two forms of electricity—attraction and repulsion. Goldleaf electroscope.
Third Stage ...	Algebra, to quadratic equations (inclusive), Euclid, Books I. and II. Elements of Mensuration.	The Latin Grammar, Cæsar de Bello Gallico, Book I. Somewhat longer sentences to be translated from English into Latin	Elementary knowledge of the mechanical powers.	The organs and function of alimentation. The properties of muscle and nerve.	The comparison of a fern and a moss with a flowering plant. The formation of different kinds of fruits. The structure of a bean and of a grain of rice. The phenomena of germination.	Perspective Candidates will be required to show a knowledge of the use of vanishing and measuring points used in horizontal planes; and to represent simple solids or objects on the ground plane in any position.	The properties of carbon as found both in inorganic and organic bodies, with elementary knowledge of the constituents of food. Differences between metallic and non-metallic bodies. Combination by weight and volume. The use of symbols and chemical formulæ.	Rudimentary explanation of the Camera obscura, burning glass, magnifying glass, microscope, and telescope. Illustration of the difference of the specific heat of bodies. The causes of cloud, rain, and dew.	Construction of electrophorus, electrical machine, and Leyden jar; construction of a common battery. Explanation of a thunderstorm. Action of a current on the magnet.

Schedule D.

STANDARDS of Examination for Anglo-Vernacular Schools.

		Reading.*	Writing.*	Arithmetic.*	Geography.*	History.*	English Reading.	English Writing
PRIMARY.	Standard I.	A few sentences from a First Book distinctly and accurately pronounced.	To form letters on slate or black-board.	Notation up to 999. Addition up to 20, and subtraction of digits.				
	Standard II.	A few sentences from a Second Book slowly and distinctly read.	To write to dictation short sentences out of the reading book. Copy-writing to be shown, large hand only.	Simple addition and subtraction of numbers of not more than four figures. Multiplication table to 3 times 12.				
	Standard III.	Clear and intelligible reading from a Third Book.	To write a connected passage from the reading book, containing two or three sentences. Copy-writing to be shown, large hand only.	Multiplication and division, with miscellaneous questions in the four rules.				
	Standard IV.	Good and intelligent reading from a Fourth Book.	Dictation from reading book. Round hand copy-writing.	Use of rupees and cents, bills of parcels, simple problems	Definitions and Ceylon.			
	Standard V.	Good and intelligent reading with questions to show comprehension of sentences read (Fourth Book.)*	Dictation from reading book. Small hand copy-writing.	Reduction of common weights and measures, and their application to foregoing rules.	Same, with outlines of the World.	...	A few sentences from a First Book containing at least 30 pages, distinctly pronounced and translated into vernacular.	Dictation from reading book—single words.
MIDDLE.	Standard VI.	Good fluent reading with explanation from a classical work in prose.	Writing from memory the substance of a short narrative read out twice. Spelling, hand-writing and grammar to be considered.	Simple and compound proportion Use of English money.	Asia.	...	A few sentences from a second reading book distinctly read and translated into vernacular.	Dictation from reading book. short sentences.
	Standard VII.	The same, with addition of verse.	A short theme or letter.	Vulgar and Decimal Fractions.	Asia & Europe	Ceylon. outlines of principal periods.	Clear and intelligent reading with translation into vernacular.	To write a translation from any vernacular book approved by the Department.
	Standard VIII.	Explanation of passage from a classical work, such as Ummagga-jâtaka.	An essay in composition.	Interest, simple and compound, and discount, with exercises on all the foregoing rules.	The World.	Ceylon.	The same, advanced proficiency.	Same, advanced proficiency.

1.—Reading may be tested in the ordinary class book, if approved by the Inspector; but the books must be of reasonable length and difficulty and unmarked. Every class ought to have two or three sets of reading books. Managers are requested to send a copy of all reading books used, to the Department, with an intimation of the standard for which they are intended.

2.—Copy-writing is to be done on paper in the presence of the Inspector.

3.—In Anglo-Vernacular Schools passes for Vernacular Grammar of the same value as other passes will be allowed, the subjects for Sinhalese schools being:—*Standard VI.*—Warnaritiya. pp. 29—46. or equivalent portions of the Sinhalese Grammars of Rev. S. Coles or Mr. Johannes *Standard VII.*—Warnaritiya. pp. 25—54. *Standard VIII.*—The general application of grammatical rules to classical literature In Tamil schools an equivalent will be accepted in any approved grammar.

4.—Under the head of "Reading" the following alternative subjects will be accepted. *Standard VI*—To read at sight, with comprehension, a passage from a vernacular newspaper, public notice, school manual or other book or document in correct modern vernacular. selected by the examiners *Standard VII*—Good fluent reading at sight, with comprehension, of a fairly-written letter or manuscript in correct modern vernacular. *Standard VIII.*—Reading a letter or document written in ordinary current vernacular handwriting

* Vernacular.

Schedule B.

STANDARDS of Examination for Vernacular Schools.

		Reading.	Writing.	Arithmetic.	Geography.	History.
Primary.	Standard I.	A few sentences from a First book distinctly and accurately pronounced.	To form letters on slate or black-board.	Notation up to 999. Addition up to 20, and subtraction of digits.		
	Standard II.	A few sentences from a Second reading book slowly and distinctly read.	To write to dictation short sentences out of the reading book. Copy-writing to be shown, large hand only.	Simple addition and subtraction of numbers of not more than four figures. Multiplication table to 3 times 12.		
	Standard III.	Clear and intelligible reading from a Third book.	To write a connected passage from the reading book containing two or three sentences. Copy-writing to be shown, large hand only.	Multiplication and division, with miscellaneous questions in the four rules.		
	Standard IV.	Good and intelligent reading from a Fourth book.	Dictation from reading book. Round hand copy-writing.	Use of rupees and cents, bills of parcels, simple problems.	Definitions and Ceylon.	
	Standard V.	Good and intelligent reading with questions to show comprehension of sentences read (Fourth book.)	Dictation from reading book. Small hand copy-writing.	Reduction of common weights and measures and their application to foregoing rules.	Same, with outlines of the World.	
Middle.	Standard VI.	Good fluent reading, with explanation from a classical work in prose.	Writing from memory the substance of a short narrative read out twice. Spelling, handwriting, and grammar to be considered.	Simple and compound proportion. Use of English money.	Asia.	
	Standard VII.	The same, with addition of verse.	A short theme or letter.	Vulgar and Decimal Fractions.	Asia and Europe.	Ceylon, outlines of principal periods.
	Standard VIII	Explanation of a passage from a classical work, such as Ummagga-jâtaka	An essay in composition.	Interest, simple and compound, and discount, with exercises on all the foregoing rules.	The World	Ceylon.

1.—Reading may be tested in the ordinary class book, if approved by the Inspector; but the books must be of reasonable length and difficulty and unmarked. Every class ought to have two or three sets of reading books. Managers are requested to send a copy of all reading books used to the department, with an intimation of the standard for which they are intended.

2.—Copy-writing is to be done on paper in the presence of the Inspector.

3.—In Middle Vernacular Schools passes for grammar will be allowed of the same value as other passes, the subjects for Sinhalese schools being.—*Standard VI.*—Warnaritiya, pp. 29–46, or equivalent portions of the Sinhalese Grammars of Rev. S Coles or Mr. Johannes. *Standard VII.*—Warnaritiya, pp. 25—54, or equivalent portions of the Sinhalese Grammars of Rev. S. Coles or Mr. Johannes. *Standard VIII.*—The general application of grammatical rules to classical literature. In Tamil schools an equivalent will be accepted in any approved grammar.

4.—Under the head of "Reading" the following alternative subjects will be accepted:—*Standard VI.*—To read at sight, with comprehension, a passage from a vernacular newspaper, public notice, school manual, or other book or document in correct modern vernacular, selected by the Examiners. *Standard VII.*—Good fluent reading at sight, with comprehension, of a fairly-written letter or manuscript in correct modern vernacular. *Standard VIII.*—Reading a letter or document written in ordinary current vernacular handwriting.

Schedule F.

VALUE of Passes, English Schools.

	Reading.	Writing.	Arithmetic.	Geography.	History.	TOTAL.
	Rs. cts.	Rs. cts.	Rs. cts.	Rs. cts.	Rs cts.	Rs. cts.
Standard I. ...	1 50	1 50	1 50	—	—	4 50
do. II. ..	1 50	1 50	1 50	—	—	4 50
do. III. ..	2 0	2 0	2 0	—	—	6 0
do. IV. ...	2 0	2 0	2 0	2 0	—	8 0
do. V. ...	2 0	2 0	2 0	2 0	2 0	10 0
do. VI ...	2 50	2 50	2 50	2 50	2 50	12 50
do. VII. ...	2 50	2 50	2 50	2 50	2 50	12 50
do. VIII. ...	2 50	2 50	2 50	2 50	2 50	12 50

In girls' schools a pass in "work" is of the same value as a pass under other heads

Schedule G.

VALUE of Passes, Vernacular and Anglo-Vernacular Schools.

	Reading.	Writing.	Arithmetic.	Geography.	Grammar.	History.	VERNACULAR.	ANGLO-VERNACULAR.		
							Total.	English Reading.	English Writing.	Total.
	Rs. cts.	Rs. cts.	Rs. cts.	Rs. cts.	Rs.cts.	Rs.cts.	Rs. cts	Rs. cts.	Rs. cts.	Rs.cts.
Standard I. ...	1 50	1 50	1 50	—	—	—	4 50	—	—	—
do II. ...	1 50	1 50	1 50	—	—	—	4 50	—	—	—
do. III. ...	2 0	2 0	2 0	—	—	—	6 0	—	—	—
do. IV. .	2 0	2 0	2 0	2 0	—	—	8 0	—	—	—
do. V. ..	2 0	2 0	2 0	2 0	—	—	8 0	2 0	2 0	12 0
do. VI. ...	2 50	2 50	2 50	2 50	2 50	—	12 50	2 50	2 50	17 50
do. VII. .	2 50	2 50	2 50	2 50	2 50	2 50	15 0	2 50	2 50	20 0
do. VIII. ...	2 50	2 50	2 50	2 50	2 50	2 50	15 0	2 50	2 50	20 0

In girls' vernacular and Anglo-vernacular boarding schools the value of each pass is double the above sums.

In all girls' schools a pass in "work" will be of the same value as a pass under other heads.

In C. schools the value of a pass is the same as the value of a pass in the corresponding standards of A schools.

Schedule H.

Form of Certificate from Managers to be forwarded to Director of Public Instruction, on registration of Pupil Teachers.

SIR,—I HAVE the honor to inform you that I have this day nominated A. B. as pupil teacher in the school, believing ( ) to be well qualified for the office in respect of health, character, habits and parentage.

I further certify that ( ) passed the standard in Reading, Writing, Arithmetic, and at the examination of school on day of 18

I am, &c.,

M. N.

Manager.

Registered this day of 18 No.

Director of Public Instruction.

(On the reverse)

PUPIL TEACHER'S CERTIFICATE.

First Examination.

I hereby certify that has satisfied the requirements of the Code.
(Date)
Manager. Inspector.

Second Examination.

I hereby certify that has satisfied the requirements of the Code.
(Date)
Manager. Inspector.

Third Examination.

I hereby certify that has satisfied the requirements of the Code
(Date)
Manager. Inspector.

Note.—After the third examination this certificate is to be exchanged for a provisional teacher's certificate.

Schedule I.

QUALIFICATIONS and Certificates required of Pupil Teachers in Grant-in-aid English schools.
The conditions of registration are stated in the Code.

	General Subjects of Examination.	Additional Subjects.	School Management.	Certificates of Manager and Inspector.
First year	All subjects assigned to VIth standard	Elementary composition. Map drawing, Ceylon	To give a reading lesson to any class not higher than IVth standard	According to Form.
Second year	All subjects assigned to VIIth standard	Same, map drawing, Asia	To give a lesson in reading, writing or arithmetic to any primary class	Same.
Third year ..	All subjects assigned to VIIIth standard	Same, map drawing, World	Increased skill in teaching any primary school in all standards. Written examination on duties of monitors	Same.

Schedule J.

QUALIFICATIONS and Certificates required of Pupil Teachers in Grant-in-aid Vernacular and Anglo-Vernacular schools.
The conditions of registration are stated in the Code.

	General Subjects of Examination.	Additional Subjects.	School Management.	Certificates of Manager and Inspector.
First year ..	All subjects assigned to VIth standard	Elementary composition. Map drawing (outlines of Ceylon and principal towns.)	To give a reading lesson to any class not higher than IVth standard	According to Form.
Second year ...	All subjects assigned to VIIth standard	Same, more advanced, Ceylon in detail.	To give a lesson in reading, writing and arithmetic to any primary class	Same.
Third year ...	All subjects assigned to VIIIth standard	Same, more advanced, outlines of geography of the World.	The same, with a lesson in geography. Written examination on all the duties of monitors	Same.

Pupil teachers in Vernacular schools will be examined in the standards of vernacular schools only. Pupil teachers in Anglo-vernacular schools in the standard of Anglo-vernacular schools.

Schedule K.

School 18 .

I hereby certify that has fulfilled the duties required of him with punctuality, diligence, obedience and intelligence, and that to the best of my knowledge and belief his moral character has been uniformly good.

Manager.

Schedule L.

QUALIFICATIONS and Certificates of Students in Grant-in-Aid Training Schools.

	Certificate.	Reading	Writing.	Arithmetic.	Geography.	History.	School Management.
For Admission.	Certificate of Manager.	Reading with fluency and expression from a classical book with grammatical analysis.	An essay in composition.	As for VIIIth Standard.	The World.	Ceylon.	Duties of Monitors.
First year's Examination.	Same.	Same, with advanced proficiency.	Same	Same, more difficult examples.	Distribution of land and water on the earth's surface, advanced proficiency in political geography of the World.	Same, with outlines of the great events of the history of the World.	To give lessons in reading, writing or arithmetic to a VIth standard class. Written papers on school management.
Second year's Examination.	Same.	Same, with advanced proficiency.	Same	Same.	Advanced proficiency in physical and political geography of the World.	Same, advanced proficiency.	To teach a VIIth standard class. Written papers on school management and method.

NOTE.—Candidates for Anglo-vernacular certificates will be required to pass, for admission, in the English subjects required for the VIIIth standard in Anglo-vernacular schools, and in the subsequent examinations will be required to teach, in the first year, a VIth standard class in English, and, in the second year, a VIIth standard class to the satisfaction of the Inspector.

Schedule M.

The names of the children to be examined in each standard must be entered upon a form prepared for the purpose, termed a Report Slip; each Report Slip bearing the following declaration and particulars to be signed by the manager of the school, and handed to the Inspector previously to the examination:—

I hereby certify and declare that all the children whose names are herein entered to be examined for a grant have received not less than nine months' actual instruction in this school during the twelve months immediately preceding the date thereof; and that the conditions laid down with respect to the standard in which they are now offered for examination have been strictly complied with, and that, to the best of my knowledge and belief, no one of them has passed the examination in this or in a higher standard, in this or in any other school

I further certify that they have all been vaccinated, or are protected from small-pox by having had that disease.

Number on List.

Average attendance for twelve months preceding the examination.

A. B.
Manager.

SPECIMEN REPORT SLIP.

Number.	Name	Age.	Date of admission to school.	Number of attendances since last examination.	Under what standard last examined.	Reading.	Writing.	Arithmetic.	Geography.	Grammar.	History.	Needlework.
			Y. M									

Schedule N.

ENGLISH SCHOOLS.

Complete High School:
- High School ... Senior Local Examination; Junior Local Examination; Examination in specific subjects, Schedule C
- Middle School: VIII. Standard; VII. do; VI. do.
- Primary School: V do.; IV. do.; III. do.; II do.; I do.

VERNACULAR SCHOOLS.

High School. ... Classical Sinhalese or Tamil Literature

Complete Middle School:
- Middle School .. VIII Standard; VII. do.; VI. do.
- Primary School: V. do.; IV. do.; III do.; II. do.; I. do.

Vernacular Middle Schools in which English is taught in standards V., VI., VII., and VIII, are called Anglo-vernacular schools.

NOTE.—The following are the Rules for keeping Registers referred to in clause 20 *(d.)*

The Registers of Admission and Attendance must always be kept in the School during school hours.

ATTENDANCE REGISTERS.

The names of scholars must be entered in the Register of Daily Attendance according to Standards, preserving the same order throughout the year.

An attendance, to fulfil the conditions of the Revised Code, must be an attendance of not less three hours.

In schools which have two sessions, morning and evening, two half attendances of one hour and a-half shall constitute a full attendance.

The registers must be marked immediately after the first lesson of the session, and finally closed (*i.e.*, the column must be filled up with the marks indicating presence or absence, as given below,) at least three hours before the close of each meeting of the school, or at least one hour and a-half before the close of each session in schools which have two daily sessions.

After the registers are closed no child may be marked.

Every child must be marked at each meeting of the school.

In ink, never in pencil inked over afterwards.

Presence must be marked with a long stroke, thus \ or /.

Absence must be marked with an O.

There must be no dots.

No erasures; if any error has been made, it must be corrected in the column for remarks opposite the child's name.

No blanks.

If a child leaves before the expiration of the three hours' attendance (or one hour and a-half in case of two session schools), its mark for presence must be cancelled by another stroke: thus +

Registers must be original and not copied from slates, papers, olas, &c., on pretence of keeping them clean or any other plea.

The number of attendances made by each class or standard must be entered at the foot of the column before the Teacher leaves the school, and the grand total must be entered at the same time.

On the occasion of a holiday, a line should be drawn down the whole length of the column for the day.

At the end of each month the summary (which will be found at the end of this book) must be filled up, showing (1) the number of school-days during the month (or number of sessions in schools holding two daily sessions); (2) the total number of attendances; (3) the average attendance for the month.

NOTE.—The average attendance is shown by dividing the total number of attendances by the number of school-days (or school sessions.

ADMISSION REGISTER.

When a scholar is admitted, his name must be entered at once in the Admission Register, and the necessary information entered in each column.

Should any doubt or difficulty arise with reference to the Standard in which a child admitted from another school was last examined, the Inspector should be informed accordingly.

When a child has been absent for four months, his name should be struck off the roll, and an entry at once made in the Register in the column headed "Date of Withdrawal." If this is regularly done, the number of children in attendance according to the Admission Register will tally with the number given in the Daily Attendance Register. If a scholar whose name has been struck off the Register is re-admitted, his original number should again be assigned to him.

NOTIFICATION OF AMENDMENTS.

AMENDED ARTICLES FOR THE CODE OF 1886.

THE following Amended Articles for the Revised Code of 1886 were published for general information in the *Government Gazette* of 23rd October, 1885, and are incorporated in the Code:—

Revised Code, 1885.	*Amendments sanctioned for the Revised Code of* 1886.
Clause 33.	*Clause* 33.
INDUSTRIAL SCHOOLS.	
33: A scheme for the application of result payments to manual instruction is in preparation. In the meantime, applications for grants-in-aid to industrial schools will be entertained on the following conditions:—	Omit all the words down to "applications, &c."
Clause 48.	*Clause* 48.
48. Up to the 1st day of January, 1886, certificates will be issued:— (*a*) Of the third class to any teacher who has been for three years in continuous charge of the same school or of different schools under the same management, and has presented scholars for examination at each annual inspection, and has earned result payments on not less than 50 per cent. of passes, on the certificate of the manager to his ability and industry. (*b*) Of the second class to any teacher who has earned result payments, under the same conditions as above, in the VIIIth standard for three consecutive years immediately preceding the date of application or the certificate.	Up to the 1st day of January, 1887, certificates will be issued:— The rest is unchanged.
Clause 49 *B.*	*Clause* 49 *B.*
The first examination for licenses will be held in December, 1883, at such centres as shall be found most convenient for the candidates.	Annual examinations for licenses will be held at such centres as shall be found most convenient for candidates.
Clause 50.	*Clause* 50.
50. After the 1st day of January, 1886, no principal teacher shall be appointed to any Vernacular or Anglo-vernacular boys' school in receipt of grant, unless he holds a certificate or license of the Department.	After the 1st day of January, 1887, no principal teacher shall be appointed to any Vernacular or Anglo-vernacular boys' school in receipt of grant, unless he holds a certificate or license of the Department.

Clause 69.

69. The number of Queen's scholarships to be competed for by girls is also fixed at 5 per cent on the number of Vernacular and Anglo-vernacular girls' schools."

Clause 74.

The scholarships and prizes awarded are limited to candidates being *bonâ fide* students in Government and Grant-in-aid schools.

Clause 69.

The number of Queen's scholarships to be competed for by girls is fixed at 10 per cent. on the number of Vernacular and Anglo-vernacular girls' schools.

Clause 74.

The scholarships and prizes awarded are now thrown open to all candidates whether coming from Government and Grant-in-aid schools or not.

H. W. GREEN,
Director.

APPENDIX II.

INSTRUCTIONS TO INSPECTORS AS PUBLISHED IN THE *GOVERNMENT GAZETTE* OF 7TH AND 14TH NOVEMBER, 1884.

Circular to Inspectors.—No 13.

SIR,—I have the honor to inform you that, being much impressed with the bad English taught in certain English schools under native teachers, I addressed the Government on the subject, proposing that no English school should, after a certain period, be accepted for a grant-in-aid, unless the principal teacher held a certificate of competency to teach English.

2. The Government, however, has decided that until the consent of the Managers of schools to the compulsory employment of certificated teachers has been more clearly ascertained, it is desirable not to enforce a system of certificates, and that the present system of judging only by results should be maintained; but it is added: "The examination of the schools should be carefully conducted, and the standards prescribed strictly enforced, and if the result be, as may be anticipated, to diminish the grants earned, the Managers will then doubtless consult their own interest by employing a better class of teachers than they generally do at present."

3. It is therefore to be understood by you that, in the *viva voce* portions of examinations of English schools, you will adhere strictly to the standards laid down, and that a weak English school in a small town or village is not to be any more leniently examined than an efficient High school in a central town.

4. As regards paper work, in standards above the 5th, the examination should be conducted as far as possible on paper, and, in order to secure uniformity of examination throughout the Island, complete sets of questions will be prepared in this office, and transmitted to you every month.

You will therefore be good enough to send in to me at once a special list showing the dates of examination of each of the Grant-in-aid English schools in your district during next year, so that the papers above referred to may be prepared by me in time.

I am, &c.,
H. W. GREEN,
Director.

Circular to Inspectors.—No. 14.

SIR,—A case has been brought to my notice where some boys who had previously been examined in the 1st and 2nd standards of Arithmetic and Geography in a Vernacular school, were again presented in the same subjects and in the same standards in the English school.

2. It is against the whole spirit of clause 31 *c* of the Revised Code that a child should earn a grant twice in the same standard and in the same subject.

3. In the case in point it was urged that these subjects being taught in different languages were different subjects, but Arithmetic and Geography are the same subjects in whatever language taught, and no marks are awarded for proficiency in the language in these subjects, but correctly worked Arithmetic, and correct answers to Geographical questions, are all that is required. The knowledge of a language is tested and marked for under other heads.

4. You will therefore be so good as to see that no child is examined twice in the subjects of Arithmetic and Geography in the same standards by reason of a transfer from a Vernacular to an English school, or from an English to a Vernacular school.

I am, &c.,
H. W. GREEN,
Director.

VI.—1885.

THE PEARL BANKS.

REPORT

OF A

RECENT INSPECTION OF THE PEARL BANKS,

BY

CAPTAIN J. DONNAN,
INSPECTOR OF THE PEARL BANKS.

Ordered by His Excellency the Governor to be Printed.

Colombo:
GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1885.

INSPECTION OF THE PEARL BANKS.

The INSPECTOR OF THE PEARL BANKS to the HON. the COLONIAL SECRETARY.

Master Attendant's Office,
No. 53. Colombo, 20th April, 1885.

SIR,—I HAVE the honor to submit the following report on the inspection of the Pearl Banks just completed.

2. I left Colombo on the 4th March, and returned on the 16th instant. During the interval I inspected the Chéval Paar, including the Periya Paar Karre, which is in reality the north-east side of the Chéval; the Mótaragam Paar, the portion of the Periya Paar fished in 1879, the Kallatidal Paar, and the Kondachchi Paar,—all off Arippu; the Jokanpiḍḍi Paar, the Chilaw Paar, the Karrukupáni Paar, and the Muttubundi Paar,—all off Chilaw; the Márávila Paar and Uluviḍḍi Paar between Chilaw and Negombo; and the Muttu Parrawattu Paar off Negombo. Besides these banks, I examined a large extent of ground between Navakaḍuwa and Chilaw and off Negombo, in search of new banks or deposits of the pearl oysters.

3. I found no pearl oysters anywhere except on the Chéval Paar, Mótaragam Paar, and Jokanpiḍḍi Paar. The Chéval Paar, both east and west sides, is covered with a most extensive deposit of oysters estimated at eighteen months old. The area of the bed of oysters is about 6,875 acres, and I estimate, at the lowest figure, that there are 841,000,000 of oysters upon it. There has never been in my time such a large deposit of oysters of that age; and if the usual per-centage remain to come to maturity, the difficulty will be as they approach that period to find means of fishing them all. It will certainly be necessary to commence fishing them in March, 1888, a year before they will have fully matured, and in that and the following year there is every prospect of a large fishery being obtained. The Mótaragam is well stocked with oysters of a similar age, although they are of larger growth than those on the Chéval. It is estimated that there are 25,000,000 of oysters upon it. I found three separate beds of young oysters of about six months on the Jokanpiḍḍi Paar on rocky ground, but they are too young yet to warrant any prospect of a fishery from them.

4. I regret having to report that several large shoals of rays were seen about the southern part of the Chéval and Mótaragam. They had, however, done no damage noticeable by the divers, except on the Mótaragam, where, on a small portion of it, the divers brought up a quantity of recently-broken oyster shells, bearing evidence in the nature of the fractures of having been broken by pressure, such as would be exerted between the powerful teeth of rays. When I was on the Mótaragam a shoal of rays were actually feeding upon the oysters, as in one spot I observed a patch of thickly discoloured water of about an acre in extent where it is usually quite clear. This was caused, I believe, by the movements of the rays on the bottom: occasionally, a few of them were visible as they rose to the surface in the midst of the discolouration. It is to be hoped that after having made their meal of the oysters, they would pass on in their wanderings, and not find out the spot again; but at the same time it is to be feared that such an extensive deposit of oysters, which are no doubt very palatable, and an easy prey to the ray, would cause them to linger in the neighbourhood and make repeated attacks. I know of no effectual means of keeping these animals from committing their depredations on the oyster beds, except it be by keeping a steamer, such as the *Active*, with suitable boats and nets cruising about over the beds and dropping a net around a shoal of rays when seen—(they generally go about in large shoals or schools)—and thus drive them off or reduce their numbers by catching as many of them as possible. But this could not be done during the S.W. monsoon, when I presume the oysters would be as easily preyed upon as during the N.E. monsoon.

5. When off Negombo, I went by sea, accompanied by Mr. Haughton, to the site of the deposit of young oysters referred to in the letter No. 254 of 2nd March from the Hon. the Government Agent, Western Province, addressed to the Hon. the Colonial Secretary. We were unable to land on the beach owing to a heavy surf, but the Mudaliyár, who came off in a canoe, reported the young oysters to be all dead, being sanded over, and he brought with him a few of the dead shells which had been dug out of the sand. The deposit of oysters was never of any value, as it was on the rocky ledge skirting the shore, and therefore could never have matured; but I looked upon it as an indication of a bed of similar oysters somewhere in the neighbourhood, and, therefore, I had all the likely places for such a bed, including two small rocky patches pointed out by a fisherman brought off by the Mudaliyár, carefully searched, but no oysters were found, and I am now convinced that the deposit was a mere chance drift of a small quantity of oyster spat.

6. It occurred to me, when I first arrived at Silávatturai, to try an experiment in preserving pearl oysters on the coral reef at that place, three miles off shore. The reef is awash in some places at low-water. I had a small well about twelve feet in diameter and three feet deep dug out of the coral, and the edge of the well protected from the wash of the S.W. monsoon by an embankment of heavy coral stone brought from Kondachchi Point, and piled on the reef to a height of about three feet. The well, when finished, looked a very snug place to preserve oysters in, the water being quite clear, and having a depth of about three feet at low tide, and five at high tide. On the 10th March I had about 12,000 oysters, lifted from the Chéval Paar, placed

in this well, and when it was last visited, on the 12th instant, 33 days after depositing the oysters, they were alive and seemingly flourishing. Should this small experiment prove successful, it will be an encouragement to try it on a more extensive scale, and there would be no difficulty or large expenditure involved in converting the whole reef, which is about 600 yards long by 100 broad, into an oyster tank, large enough to contain about 5,000,000 of mature oysters. There are other reefs further to the north, off Arippu and Mannár, so that the system is capable of very large extension.

I forward herewith a copy of my diary of the inspection.

I am, &c.,
J. DONNAN,
Master Attendant.

INSPECTOR'S DIARY OF INSPECTION OF MARCH, 1885.

Wednesday, 4th March.

Embarked on board the barque *Sultan Iskander*, lent from the Paumben and Mannár Immigration Service for this inspection, at 7.30 A.M. to-day, and about 8 got under weigh in tow of the *Active*, and the four inspection boats in tow astern of the *Sultan*. After clearing the harbour, made sail, there being a light N.E. breeze, which died away about 10 o'clock. At noon passed Negombo—and about which time a nice sea breeze sprung up from the westward—to which we made sail. The breeze freshened up about 2 P.M., enabling us to dispense with the *Active's* services; so she was cast off and told to keep close by. Passed Chilaw about 6 P.M., when the wind hauled to N.W., with some rain, but it, after a short time, backed round to W., S.W., S., and into a land wind at E. at about 9 P.M.

Thursday, 5th March.

At daylight this morning there was a fresh easterly wind blowing, ship, heading N. by E., land in the vicinity of Kalpiṭiya in sight, and the *Active* following close by under steam. The breeze kept up, and we continued on a N. by E. course till noon, when the *Active* took us in tow, and we steered in for the land, E.N.E., but no land in sight; about 1·30 P.M., however, we sighted Kutiraimali bearing S.E. The breeze having by this time worked round to the northward, we made sail to assist the *Active*, and about 6 P.M. we anchored off Silávatturai.

Friday, 6th March.

This morning the boats and boatmen landed, and set to work watering ship, assisted by the divers and munducks, who were waiting our arrival at Silávatturai. I went out in the *Active* to the reef to see if it were possible to make a small tank or enclosure on it to put some young oysters into as an experiment, and, finding that the coral was easily broken away with an iron slice, I selected a patch of the reef nearly awash at low-water, and set three men to work to dig a small tank in the centre of it. In about three hours' time they succeeded in making a square hole about 12 feet by 12 feet and 3 feet deep, the broken coral from which was lifted up and piled round the edge on top of the reef to act as a breakwater. The tank, when thus far finished, looked a very likely place indeed for oysters to thrive in, and should the experiment I am now about to try be successful, it would be an easy matter to convert most of the coral reefs in this neighbourhood into oyster-breeding tanks, and the reefs are extensive enough to make tanks of very large area in the aggregate. I returned to the *Sultan* at noon, leaving the tank unfinished: it requires more coral to be piled up round it so as to raise a barrier above water at high-water, otherwise oysters put into it might escape. I shall try and have it finished to-morrow.

Saturday, 7th March.

The men are still employed watering ships, but I hope it will be finished this evening, as I want to complete the tank on the reef to-morrow, and I can't do that till the water is filled up, as all the boats will have to be sent to Kondachchi Point to lift some of the round pieces of heavy coral with a flat side, that is to be got there, for the purpose of forming a breakwater round the tank.

Yesterday and to-day there have been constant easterly winds without any sea breeze.

Sunday, 8th March.

This morning early the four inspection boats were taken to Kondachchi Point, and laden with coral as deep as they could be. Then the *Active* went in and took them in tow for the reef, and on the way stopped at the *Sultan* to pick me up. We all got to the reef about 9 A.M. and set to work piling the stones round the tank. The four boatloads, assisted by some coral broken off from the reef, were just sufficient to form a good barrier round the edge of the tank, high enough, I think, to be just awash at the highest tide, and the whole thing, when finished, looked a snug nook in which one would suppose oysters would delight to be. The water was beautifully clear, and the bottom and sides of the well were studded all over with the ends of branch coral, where the coral was broken off in the excavation, all forming so many pegs as it were for the oysters when placed in the well to hang upon. The reef lies three miles from the shore, sufficiently far I should think to be free from any baneful influence of the Arippu river during the freshes; but a little brackish water might be good for the pearl oyster as it is for the edible oyster. It was 1 P.M. when we returned to the ship. The boatmen and divers went on to the shore, and I gave them orders to be ready to go out to the banks to-morrow morning.

Monday, 9th March.

This morning at 5 o'clock we got under weigh for the end of Káraitívu shoal with a nice breeze from off the land. The *Active* followed with the boats in tow. We got out to the shoal and anchored at 9 A.M., but owing to the haze over the land I could not make out Keelar, and had therefore only the bearings of Kutiraimali height to go by. The boats were sent out to look for the tanks, and shortly after found them about 250 fathoms E.N.E. of the ship. The shoal buoy was placed, and the *Active* laid out a buoy to the N.W. on the S.W. Chéval to shift to; and as soon as the buoy was dropped, we tripped anchor and shifted

close to the buoy. The *Active* then laid out the buoys for guiding the inspection boats to-morrow, and also another buoy, 1½ mile N.N.W., to shift to after the boats have done their work to-morrow. When we anchored on the S.W. Chéval, a diver was sent down, and only brought up two young oysters of 12 to 15 months in two dives; whereas in this place last March we found abundance of oysters of about 3 to 6 months. The *Active* reports plenty of young oysters where she laid the buoy to the N.W.

Very fine weather to-day, but very hazy.

Tuesday, 10th March.

When the boats went out this morning, I told them, after making the first round, to anchor and pick up 3,000 oysters each for me to take and place in the tank on the reef, which they did, and had lifted the sample of 12,000 by 10.30 A.M. The oysters were put into one of the ship's boats half filled with sea-water, and at 11 I started with the *Active* taking the boat in tow. By 0.30 P.M. we reached the tank, and had all the oysters placed in it carefully by 1.30. I was afraid at first that I had brought too many to place in an enclosure only 12 feet square, but when they were all in, they did not look at all overcrowded, and I hope my little tank full of 18 months' oysters will thrive and flourish. The only thing I fear is that the S.W. monsoon sea may break down the barrier; but even then the oysters may survive, as they lie below the top of the reef. The oysters were carefully lifted, being kept as much as possible in their natural bunches and on pieces of rock without breaking away their byssus, or as few of them as possible. I returned to the ship by 3 P.M., and found that the coxswains had made the third round, thus going over all the space marked out for them. They found young oysters of about 18 months' old very plentiful on the northern half of the circle examined, but none to speak of on the southern half. I have no doubt the oysters are the same as we found here last March, then thought to be from 3 to 6 months old. The *Active* lifted the buoys after I returned, but it was too late to shift the vessel's position—that must be done early to-morrow morning.

The ship's position to-day was, with shoal buoy S. 31° 30′ E., distant 1.6 mile, Arippu tope centre N. 58 E., in 6 fathoms.

Very fine weather, but still very hazy.

Wednesday, 11th March.

This morning early shifted vessel to the buoy laid out yesterday; then the *Active* laid out the buoys for the boats, and about 7 o'clock the boats got away to work. They returned about 1 P.M. after finishing the three rounds, and reported oysters in abundance nearly all over the ground examined, and all of the same size and age as found yesterday. The *Active* laid a buoy out on the Periya Paar fishing ground of 1879, and also to the N.N.W. to shift to, and after that buoy was placed the vessel was got under weigh and shifted to it, but the tindal parted the chain by having too much weigh on when anchoring.

Yesterday the boats made 141 dives on young oysters, 85 on rock, and 114 on sand, and the estimated number of oysters that could have been lifted was 3,939, giving an average of 28 to a dive; and to-day they made 239 dives on oysters, 27 on rock, and 72 on sand, estimated number of oysters 13,109, giving an average of 55 to a dive.

Ship's position to-day was, shoal buoy S. 31° E., distant three miles. We had very fine weather with a fresh N.W. breeze in the afternoon.

Thursday, 12th March.

This morning the boats went out at 7 o'clock and returned at 0.30 P.M., having completed their three rounds out to the ¾ mile buoys. To-day's working ground spread about ¼ of a mile over yesterday's on the S.E. on account of the vessel's position being near the N.W. end of the oysters. The boats found the same kind of oysters everywhere to-day, except on the N. and N.E. of ship outside of the first round, where nothing but sand was found, and on the S.W. of ship outside of the second round, where nothing but rock was found. They made 24 dives on bare rock, 110 on bare sand, and 203 on oysters, and the number of oysters reported was 8,747, giving an average of 43 to a dive. To-day's work completed the inspection of the west side of the Chéval. The bank of oysters is about 3½ miles long in a N.N.W. direction, of irregular shape, and of about 1 mile in breadth in a NE. and SW. direction. The actual area of the bank is about 11,435,000 superficial yards, but over this area there is about 24 per cent. of space with no oysters, making the actual area of oysters about 8,690,600 yards, on which the oysters average 42 to a dive, but in many places the divers reported 100 to 400 at a dive. The oysters are thinnest on the S.E. end of the bank, where the ship was on the 10th. The oysters are all of one brood—no doubt of that first discovered last March—although there are big and small amongst them; and I would estimate them now at 18 months' age. There is an enormous number on the whole bank, estimated at 182,502,600, allowing two yards to a dive, which the divers say is a large allowance.

The ship's position to-day was, shoal buoy S. 28° E., distant 4¼ miles, checked by bearings of Arippu tope, which bore N. 71 E. After the boats came in we got under weigh and went out to the buoy placed on the Periya Paar yesterday. The *Active* lifted the buoys and laid them out again in our new position. She also laid a buoy on N.E. Chéval.

We had fine weather to-day, excepting a heavy squall of wind, rain, and thunder and lightning, which came out from the S.E. about 4 P.M., and lasted about an hour, after which it cleared up.

Friday, 13th March.

This morning the boats went out at 7 A.M. and came in at 1 P.M., having completed their work. They made 49 dives on oysters, 209 on sand, and 49 on rock. The oysters were of two sizes: 18 months and 3 to 6 months, and only found in four small patches—too small, I fear, to result in a fishery. Many of the younger oysters were dead and broken up in small pieces, evidently done by fish, as a great many rock-fish were caught last night by hook and line from the ship; and in the stomach of one examined there was found a quantity of broken shells and one or two whole shells of a small-sized suran, and, strange to say, the broken shells were all of the suran also,—not a piece of an oyster shell did I see; so that it would seem the suran are preferred to the oysters, but no doubt the young oysters are eaten by the rock-fish also, and it is easy to conceive what havoc a swarm of these fish would cause to a bank of young oysters in a short time. Alongside the ship, the divers brought up nets full of weed, young oysters of 3 to 6 months, many of which were dead and broken up, and some older oysters of 18 months, all mixed up together. The weed was swarming with a small species of whilk, which is supposed to be an enemy of the pearl oyster also.

Last March I found a large number of 18 months' old oysters mixed up with younger ones of 3 to 6 months on this bank, which held out a promise of a fishery in 1887, but the larger oysters are now all gone—

not one alive was found, and only a few of their dead shells. The oysters of 18 months now found are no doubt some of those of 6 months that were found mixed up with the older ones last March.

Shifted during the afternoon to the buoy on N.E. Cheval placed yesterday, but before we got there a squall came on from the eastward, and after it cleared up there was a calm, so that we had to be towed into position by the *Active*.

Saturday, 14th March.

The boats went out this morning at 7 A.M. and returned at 1 P.M., after finishing the third round. They made 9 dives on bare rock, 64 on bare sand, and 247 on young oysters, averaging 53 to a dive. The oysters are about 18 months' old, and were found in abundance on rocky ground, generally all over the space examined with the exception of the outer verge on the N.E. and W.N.W. of the ship, and they extend over on the S.W side to join the oysters on the east side of the ground examined yesterday.

During the afternoon shifted vessel 1·6 mile to the S.E., and buoyed off the space for examination to-morrow.

The ship's position to-day was, shoal buoy S 8° E., distant 4½ miles, Arippu tope bearing N. 71° 30′ E.

The weather was fine with a strong northerly breeze in the afternoon.

Sunday, 15th March.

The boats went out this morning at 7 o'clock and returned at 0.30 P.M., having completed their three rounds They made four dives on bare rock, 89 on bare sand, and 219 on young oysters similar to those found yesterday, and averaging 90 to a dive. The oysters were found generally all over the space examined, with the exception of the outer verge on the east and west sides, where only sand was found. They were found in great abundance, 210 being brought up at one dive alongside of the ship, and the diver said he got that number off a space about 18 inches in diameter. The oysters of to-day and yesterday are certainly larger than those on the west side of the Chéval, although I believe they are all of the same brood.

The *Active* went out to the Kalatidal Paar and examined it, but found nothing but sand and rock. She afterwards went over the ground in a W.S.W. line from the west ¾ mile buoy, for a mile, diving all the way, and found oysters extending all the way to the oysters on the N.E. side of the space examined on the 11th instant.

In the afternoon shifted vessel 1½ mile to the S S E., and laid out the buoys

The ship's position to-day was, shoal buoy S. 12° W., Arippu tope N. 64° E., and the mark on Kutiraimali height S. 23° 30′ E. in 6 fathoms.

Very fine weather all day.

Monday, 16th March.

The boats went out this morning at 7 o'clock and returned at 0·30 P.M., having finished their three rounds. They made 19 dives on bare rock, 19 on bare sand, and 263 on young oysters of about 18 months, averaging 77 to a dive. The oysters were found thick everywhere except on the outer verge to the E. and S E., where nothing but sand was found.

Alongside the ship the divers brought up 160 oysters to a dive, but they were somewhat smaller than on the N.E Chéval of the same size as those on the west Chéval.

During the afternoon shifted vessel to the S.S.W and laid out the buoys again.

The *Active* examined the ground to the west of the boats' ground and came upon no oysters till she got near the eastern side of the ground examined on the 11th.

The ship's position to-day was, shoal buoy S. 29° W., Arippu tope N. 56° E., Kutiraimali height mark S. 24° E., and Keelar Tower S 75° E. in 6 fathoms.

Very fine weather to-day; light N.W. breeze in the afternoon.

Just before dark the tindal called my attention to a large shoal of rays (about 1,000 he said) passing the ship in a N.W. direction, but I could not see them, it being too dusk. This morning one of the men saw a single ray of large size near the ship. It is to be hoped that these destructive fish to oysters will not do much damage to the oysters now on Chéval.

Tuesday, 17th March

The boats went out this morning at 7 o'clock and returned about 0.30 P.M., after completing their third round. They made 11 dives on bare rock, 66 on bare sand, and 239 on oysters, averaging 70 to a dive. The oysters were found plentiful all over the ground examined except on the S.W., W., and N.W. outer verge, where nothing but sand was found.

This day's work completes the examination of the Chéval with the following result:—Oysters of 18 months' age were found very abundant on all parts of the bank extending over what may be called the east and west sides, but they are more abundant on the east side, and are larger generally also, although I believe they are of the same brood on all parts.

The area of the east side of the bank is 21,042,500 square yards, from which must be taken 2,735,525 square yards for space having no oysters, leaving the area of the space containing oysters 18,307,075 square yards, and allowing two square yards to a dive and 72 oysters to a dive, the average reported, this gives the number of oysters on the east side 659,054,664; add to which 182,502,600, the estimated number on the west side of the Chéval as recorded on the 12th, and 841,557,264 is the estimated number of oysters now on the whole Chéval

I have never known such a large number of oysters on it before, and I doubt if there ever has been such a large number on it. The bank may be roughly said to be five miles long in a N.W and S E. direction by 3½ miles broad in a N.E. and S.W. direction, having a sandy space in its centre 1½ mile long by 1 broad. The whole area is 32,477,500 square yards, 6,875 acres on which the oysters average 57 to a dive, but on the east side they average 72.

The ship's position to-day was, shoal buoy S. 22° W., Kutiraimali height mark S. 28° 30′ E., and Keelar Tower S. 81° 30′ E.

During the afternoon shifted to north part of the Mótaragam Paar, and on anchoring we got 65 oysters to a dive alongside, somewhat larger than those on the Chéval, such as would be called two years'.

The weather to-day was very fine with a light southerly wind.

Wednesday, 18th March.

The boats went out this morning at 7 o'clock and returned after noon, having then completed their three rounds.

They made 2 dives on bare rock, 189 on bare sand, and 130 on oysters, averaging 31 to a dive. The oysters appear to be two years' old and mixed up with some of one year, and they were found chiefly to the S. and S.E. of the ship as far as the outer verge of the third round. In one place to the south of the ship the boats found a quantity of oyster shells quite recently broken up, evidently done by rays, as I saw a shoal of them this morning containing, I should say, several hundred, passing close by the ship in a N.W. direction. They did not appear to be of a very large size, not more than three feet across. During the afternoon we shifted to the south part of Mótaragam Paar and laid the buoys out again. On anchoring a diver brought up alongside 203 oysters at a dive similar to those on the North Mótaragam, but having more of one year amongst them. On the way from the North Mótaragam, and just about the south side of the bed of oysters, we passed through a large patch of thick discoloured water caused by a shoal of rays floundering about on the bottom and stirring up the sand. Some of them could at times be seen near the surface, and I have no doubt they were feeding on the oysters. I wished I had had a large net to surround them with, and thus try to catch them, or drive them off the oysters, but I fancy they, having tasted the dainty morsel, could only be driven off for a time, to return again and gorge themselves. I don't see how it would be possible to drive these fish away, if a net failed in doing so, unless it were by a lot of boats dropping big stones, such as the diving stones, down on top of them; but then the dropping of such stones would probably destroy nearly as many oysters by crushing them as the rays do.

The ship's position to-day was, shoal buoy W. 10° N., Keelar Tower due East, and Kutiraimali height mark S. 27° 30′ E. in 6 fathoms water.

The weather was fine all day with a fresh northerly wind in the afternoon.

Thursday, 19th March.

The boats went out this morning at 7 o'clock and returned at 0·30 P.M., having made their three rounds. They made 26 dives on bare rock, 175 on bare sand, and 104 on young oysters, averaging 18 to a dive. The oysters are the same as those on the north part of the Mótaragam, but with more younger ones amongst them, and they were found chiefly on the south and S.E. of the ship. During the afternoon shifted to the southward between the end of Kutiraimali and Káraitívu Island, where one of the divers said he found lots of oysters a year old last year when employed in diving for chanks, but on anchoring we found nothing but sand and weed. I went in the *Active* to Karaitívu after we anchored, and found plenty of water 2½ fathoms close into the southward of the north end of the island on the eastside, but there is a shoal to be avoided about a mile to the N.E of the end of the island.

We had fine weather to-day, but fresh northerly winds in the afternoon.

The ship's position on South Mótaragam was Kutiraimali height S. 26° 30′ E. and Keelar Tower N. 80° 30′ E. in 5¾ fathoms water.

To-day's work completed the Mótaragam Paar and the result may be stated as follows:—Area of oysters on the north part 1,620,000 square yards, on which I estimate there are 20,000,000 oysters, and the area of the south part 815,000 square yards, on which I estimate there are 5,000,000 oysters—say, 25,000,000 oysters on both patches.

Friday, 20th March.

The boats examined all round the ship to-day, but found nothing but sand and weed, on which there were immense numbers of what we have hitherto called oyster spat, but which has been questioned by Mr Thomas of Madras, who, on a recent visit to England, showed samples to the authorities at the British Museum, who have decided that they were not true oyster spat, but *mature Avicula Vexillum*, Reeve. If that is the case, I can only say that the true oyster spat has never been seen on the Ceylon side since the commencement of the late Capt. J. Stewart's time—and that is now sixty years ago.

I have put some of the spat to-day in a globe of sea water, and also in a large tub, to see if I can keep them alive long enough to show what they will develop into, and I have also preserved some of them in spirit.

Shifted during the afternoon to a spot off Mótaragam Point, where the chart shows coarse sand and rock, to see what we can find there.

Ship's position to-day was, Keelar Tower N. 47° E., Kutiraimali height S. 72° 45′ E., and the trees at Kurusaḍi on Káraitivu S. 10° 15′ W., in 2¾ fathoms.

Fine weather to-day.

Saturday, 21st March.

The boats went out this morning and examined all round the ship for ¾ mile, but found nothing but sand. During the afternoon we shifted to the Kondachchi Paar, which lies to the northward.

The *Active* ran some lines of soundings.

The weather was fine all day. The position of ship to-day was Kutiraimali height S. 0° 30′ W., Keelar Tower N. 54° 30′ E., and trees at Kurusaḍi on Káraitivu S. 30° W., in 3½ fathoms.

Sunday, 22nd March.

The boats went out this morning and made three rounds about the ship, but found nothing but sand and rock in a few places. After the boats came in we got under weigh and ran in to Silávatturai Bay, where we anchored at 2 P.M. After this, I went out in the *Active* and visited the tank on the reef. Found the stone embankments all under water, being the top of high-water, but the oysters seemed to be all alive and thriving. I could not make them out distinctly from the boat, there being about five feet of water in the tank, but one of the men dived down over them and said they were all alive, as he could see them opening and shutting their shells. The few he brought up were certainly alive and flourishing. I am in hopes now that they will keep alive till they come to maturity, as nothing has happened to them since they were placed in the tank twelve days ago. I shall have to place more coral stone round the embankments to raise them and make them more secure against the S.W. monsoon.

I am sorry to say the young spat I placed in a tub on the 20th have all died. I fear that too many were put into the tub. Those I put into a glass globe are still alive though.

Monday, 23rd March.

The people are employed watering ship, which is a very slow process.

Tuesday, 24th March.

Still employed filling up water.

Wednesday, 25th March.

The watering of ship was finished last night, but this morning the wind was from the southward, and unfavourable for starting. Sent the boats down to Kondachchi for coral stone, and the *Active* towed them out when laden to the reef, where the stone was deposited round the oyster well as an extra security against the S.W. monsoon sea, but I think it would be all the better of another four boatloads. From an inspection I made of the reef to-day, I think it would be quite possible to make an enclosure on it 500 yards long by 100 broad, in which it would be possible to rear 10,000,000 oysters; that is to say, if the experiment now being tried proves a success.

Two divers went over the oysters in the well, and could only find one dead, and that one was underneath some others, and they reported the rest looking well and lively.

Thursday, 26th March.

This morning at 2 o'clock we got underweigh for Chilaw with a nice S.E. breeze, and at daylight were off the end of Kúraitivu Island. The *Active* followed us under easy steam. The sea breeze set in about noon, and at 6 P.M. we passed Talavelly. At 7, finding that we had 14 miles to go on a S. ½ E. course to the place where I want to anchor, and the wind being southerly, the *Active* took us in tow, and when she had run off the distance by log, which was at 11 P.M., we anchored in eight fathoms.

Friday, 27th March.

This morning we found Navakaḍuwa bore N. 38° E., and from this point the *Active* laid out buoys ½ mile apart in a straight line S. 2° W. for a distance of six miles, and returning she sent divers down at each buoy. The boats went out, two to the eastward of the buoys, and two to the westward, and worked down in lines about ½ mile apart as far as the last buoy, that was six miles off. When the *Active* returned from laying out the buoys she took us in tow to the southward, picking up the buoys as we passed along, until we anchored about half a mile to the southward of the last buoy

The boats then came alongside and reported that they had found rocky ground nearly the whole way, but no sign of oysters. The *Active* found nothing either but rock and sand in a few places. When we anchored in the afternoon got the following bearings:—Mutubandi tope S. 50° E., Karkopany tope S. 38° E., and Uḍupankúri bungalow S. 59° 30′ E., seven fathoms water, rocky bottom, and from this position the *Active* laid out the buoys in a line S. 5 W. for six miles, ready for the boats to work in the morning.

We had southerly winds all morning up to noon, and then a sea breeze from the westward.

Saturday, 28th March.

The boats went out this morning and worked down to the southward, two on the east side of the buoys and two on the west, until they got down to the southernmost buoy, where they waited for the ship, which was taken in tow by the *Active* close along the line of buoys, diving and lifting the buoys as we came along Found nothing but fine rocky bottom the whole way in nice water 6, 7, and 8 fathoms, but not a sign of an oyster. When we got up to the boats they reported nothing but good rocky bottom, but no oysters. We went on with the boats in tow and anchored on the north end of the Jókanpiḍḍi Paar, passing over fine rocky ground the whole way. Where the boats left off work was about the south end of the Muttubandi Paar as laid down from old bearings, but which is really nothing more than an extension of the Jókanpiḍḍi Paar, as the rocky ground continues between them.

When we anchored in the afternoon, the *Active* laid out buoys round the ship, and also in a line down the centre of the Jókanpiḍḍi Paar.

Fine weather to-day with a light S.S.E. wind in the morning and fresh westerly wind in the afternoon.

Sunday, 29th March.

The boats went out this morning at 7 o'clock, and after making a round about the ship as far out as half a mile, went down the centre of the Jókanpiḍḍi bank to the southernmost buoy laid out by the *Active* yesterday; and after they had got well down the *Active* took the ship in tow picking up the buoys and diving on the way. When we came to the 5th and 6th buoys we found some young oysters of six months on rock, but no sign of oysters elsewhere. The boats to the west of the buoys had found some oysters about these buoys also, but not those on the east side; so the patch is not extensive. But the boats on the east side found a small patch of similar oysters in abundance, just on the east side of the southernmost buoy. We took the boats in tow when we came up with them, and about 1 P.M. anchored on the southern part of the Jókanpiḍḍi Paar, where I found oysters of a year old in April 1875.

The ship's position this morning was Kemberany tree S 58° E., Muttupunti tope N. 82° E., and Chilaw church S. 63° E. in 7 fathoms, 8¾ miles from the shore in beautifully clear water, bottom distinctly visible—it was even visible last night in the moonlight.

We had fine weather to-day. After anchoring in the afternoon the *Active* laid out four buoys at half a mile's distance round the ship, and from the south buoy eight buoys half a-mile apart in a line on an E.S.E. course, so as to cross over the ground marked rock on the chart in shore of the south end of Jókanpiḍḍi Paar.

Monday, 30th March.

The boats went out this morning at 7 o'clock and worked round the ship, and then on each side of the buoys to the E.S.E. for four miles, but they found nothing but sand and rock and a small patch about half a-mile in extent of young oysters (on rock) of six months between the first and second buoys, as they started to the eastward. When the sea breeze sprung up at noon, sent the *Active* to pick up the buoys and dive along the line of eastern buoys, and then bring the boats to the ship. At the same time got the ship under weigh, ran in to the E.N.E., and anchored on a spot marked rock in the chart about a mile to the S.E. of the position of Valagalla Paar mentioned in diary of 21st October last, and which I thought might be the real Valagalla Paar; but on anchoring found nothing but sand in 10 fathoms water. The *Active* brought the boats alongside at 2 P.M., and I was informed that she also found young oysters of six months between the first and second buoys on the E.S.E. line, and some rock where it is marked on the chart. During the afternoon, the *Active* laid out twelve buoys half a-mile apart due north of the ship, thus crossing over the Chilaw Paar, and the spots just north of it, named Hillalaniagalla and Kulpandallanagalla, also referred to in diary of 21st October last.

The position of ship on south end of Jókanpiḍḍi, was, Kemberany tree S. 76° 15′ E., church S. 83° 30′ E., and Muttubundi tope N. 50° E. in 8 fathoms water, but there was 7¼ fathoms half a mile to the eastward.

Very fine weather to-day, but at 6.30 P.M. a terrific squall of wind from the eastward—not much rain, but vivid lightning, which lasted with cloudy weather till midnight. When the squall was over in about an hour's time, the wind veered all round the compass.

Tuesday, 31st March.

The boats went out at 7 A.M., and worked along to the northward on each side of the line of buoys laid out yesterday until they came to the last buoy six miles off. They found no oysters on Chilaw Paar nor anywhere else, but they came on a few patches of rocky ground to the north of Chilaw Paar ; but, generally speaking, it may be called sandy ground in that direction.

The *Active* took the ship in tow up along the line of buoys, diving and picking up the buoys as we went along, but we found no oysters of any sort either. We have thus to-day examined a strip of the coast in a north and south line, six miles long by about ¾ mile broad, commencing two miles south of Chilaw Paar, passing over it and to the west of Karukupáni Paar.

When we got up to the north buoy we passed on to the N.E. and anchored in 6½ fathoms off Udapankaré, and from this position the *Active* laid the buoys and again due south for 6 miles, passing over the Karukupáni Paar for the boats to examine to-morrow.

We had strong easterly winds up to noon, and then from N.W. in the afternoon.

The position of the ship this morning was, church S. 67° 30′ E., Muttubundi N. 36° 30′ E., in 10 fathoms.

Wednesday, 1st April.

The boats went out at 7 A.M., and worked down south along the buoys, two on the east side and two on the west, as far as the last buoy 6 miles off. The *Active* took the ship in tow along the buoys at 9 A.M., diving and picking up the buoys as we went, and by noon we got down to the last buoy without getting anything but sand. The boats then came alongside and reported nothing but sand until they came on the Karukupáni Paar, when they got rock and a few old oyster shells, but no young oysters. They found rock also a little way south of the Karukupáni Paar, which they were likely to do as they passed over the Sinna Andy Pocy Paar.

The boats to-day must have gone over on the north side of the Karukupáni Paar, the ground embracing the Uḍapankari banks as described by the fisherman Muppu, referred to in diary of 21st October last, but they came upon no bank, so that Muppu's information must have been erroneous. I rather doubted rocky ground being found so close inshore off Muttubundi and Uḍapankari, as the chart shows nothing but sand in that neighbourhood. The rocky ground which Muppu meant, no doubt, is that which we have been over to the north of the Jókanpiḍḍi Paar.

After picking up the boats, went on further inshore and anchored in 7 fathoms sandy ground with Chilaw church bearing S 39° E., and Karukupáni church N. 67° E., and from this spot the *Active* laid out buoys due south for 4 miles, passing over the position of Muppu's Katakuligala and Galmudagala, which we shall examine to-morrow.

We have had very fine weather to-day, but a strong N.N.W. breeze in the afternoon.

Thursday, 2nd April.

The boats went out at 7 A.M., and worked down to the 8th buoy, which is about the position of the Galmudagala, and then made a roundabout it out to half a-mile, but they found nothing but sand until they were working round the 8th buoy, when they came on rock to the S. and S.E. of it, which is no doubt the true position of the bank, but they found no oysters.

The *Active* took the ship in tow at 10 A.M., along the line of buoys, diving and picking them up as we went along, but we came on nothing but sand. After the boats had finished their roundabout the 8th buoy, took them in tow and went on south, and at 2 P.M. anchored on the spot marked rock on the chart off Máráwila, to see if that is not the real Máráwila Paar, but on anchoring in 9 fathoms the diver reported nothing but sand. Laid out buoys, however, to examine this place to-morrow, and also another spot in 10 fathoms marked rock in the chart, 1½ mile to the W.S.W.

Had fine weather to-day, but a strong N.N.W. breeze in the afternoon with a heavy squall off the land in the evening.

Friday, 3rd April.

The boats went out this morning at 7 o'clock, worked round about the vessel, and then went out and worked round about the buoy to the westward, and returned to the ship about noon. They found nothing but sand—no rock or oysters. We then shifted position to the S.S.E., six miles, and anchored on a spot marked rocky on the chart off Kutunériya in 7¼ fathoms, which I thought might turn out to be the Oleviṭṭi Paar, as the spots hitherto examined for it have proved to be nothing but sand. We, however, on anchoring had a dive on sand, so that apparently the rock does not exist.

The *Active* then laid out four buoys round the ship half a-mile off, and eight buoys in the direction of Negombo Point from the south buoy, half a mile apart, which would place the eighth buoy near the north end of Negombo reef.

We had fine weather to-day with a nice westerly sea breeze in the afternoon.

Saturday, 4th April.

The boats went out at 7 A.M. and worked round the ship and then down on both sides of the buoys to the last buoy, but they found nothing but sand, except some rock near the north buoy and the last buoy to the S.S.E. The *Active* went out and examined a place three miles N.W. by N. ½ N., but found nothing but sand. Some fishing canoes anchored about ¾ mile off N.W. by W., and men in a canoe passing the ship said that there was a small patch of rocky ground there. The *Active* went and examined it, but found nothing but sand. Thus the search for the Oleviṭṭi Paar has been fruitless, unless the two small patches near the north buoy and where the canoes were at anchor can be called it. Certainly there is no rocky ground at the bearings and depth of water given for it.

The *Active* took the ship in tow down the line of buoys, diving and picking them up as we went along, but we got nothing but sand. When we got down to the boats picked them up, then went on a

little to the eastward, and anchored in 6 fathoms rock with the Maha-oya bearing N. 82° E., Negombo church S. 24 E., Negombo Point S. 9° E., and the wreck of the steamer *Musgrave* S. 10° W., distant about a mile. The *Active* then laid out buoys round the ship for the boats to work to-morrow.

The ship's position this morning was, Negombo church S. 27′ E. distant 8½ miles, nearly in 7¼ fathoms sand.

The divers and boatmen asked me for leave to go on shore at Negombo, to-morrow being Easter Sunday, which I granted, and I took the opportunity of running down to Colombo in the *Active*. Started at 3.10 P.M., and anchored in Colombo harbour at 6.45

The weather was fine to-day, but calm, close, and very hot during the middle of the day.

Monday, 6th April.

Left Colombo this morning at 8 o'clock and arrived at the ship at 11. On the way up I examined three places marked on the chart sand and rock, but I found only sand. On arrival at the ship, I found the boats were at work on the third round about the ship, and they came in at noon having finished it, but they found nothing but sand and a very few dives on rock over the space examined.

Found to-day that the wreck of the *Musgrave* is not close to the north end of Negombo reef as was expected, but ¾ mile south of it; also that from abreast of the wreck, or say the outer ¾ mile of the reef, has much less water on it than is shown on the chart. A boat sent to sound on it found the general depth to be 9 feet, but there was 7 feet in one spot and 6 feet in another close to the end of it, 9 feet being the depth on the extreme end. The long S.W swell seemed at times to be on the point of breaking on it. The reef is not composed of coral, but sand stone.

During the afternoon shifted two miles to the westward, and anchored on the following bearings:—Negombo church S. 52° 30′ E., and the mouth of the Maha-oya N. 72° E., in 7¼ fathoms coarse sand.

We had fine weather to-day, but a long and heavy S.W. swell on.

The ship is now exactly 18¾ miles from Colombo light, so that we ought to see it to-night distinctly, but at night I could only see the glare of it from the main top at an elevation of 48 feet.

Tuesday, 7th April.

This morning the boats went out to make three rounds about the ship, which they completed by noon. They made 178 dives on sand and 142 dives on rock, but found no oysters. The rocky ground lies generally all over the space examined.

The *Active* went out ¾ mile west of ship, and from that point worked up in a N.N.W. direction for two miles, where the chart gives sand and rock, but she found nothing but sand.

In the afternoon shifted two miles S.S.W. and anchored in 9½ fathoms sand on the following bearings:—Negombo church (hidden amongst some cocoanut trees) S. 81° 30′ E., Maha-oya N. 57° E., and Colombo Clock Tower (seen from main top) S. 15° 30′ E.

Laid out buoys round the ship for to-morrow's work

The place where we shifted to this afternoon is called by the Negombo fishermen "Mutu Parrawatte Paar," and some fishermen at anchor on this morning's ground told the coxswains that there are oysters on it, as some had been hooked up by nets. There were some canoes at anchor fishing when we arrived on it.

Wednesday, 8th April.

This morning the boats went out to make three rounds about the ship, which they finished by noon, when they came in and reported having had 180 dives on rock and 150 dives on sand, the rocky ground being chiefly to the south of the ship, but they found no sign of oysters.

The *Active* went out to the westward, sounding and diving when the depth would admit of it, but that was only in two places between four and five miles from the ship where rock was found. She got off soundings at 5½ miles from the ship.

During the afternoon shifted two miles to the S.E. and anchored in 7¾ fathoms sand, where the chart gives rock on the following bearings:—Negombo Point N. 65° 30′ E., and Colombo Light Tower (seen from aloft) S.12° E. From this position laid out buoys around the ship, and from the south buoy for three miles S.E. by S., so that the boats may examine to-morrow the ground between this and the place where the young oysters are that are referred to in Mr. Haughton's letter of 28th February last addressed to the Government Agent, Colombo.

When the *Active* had done laying out the buoys, sent her in to Negombo to bring out Mr. Haughton to-morrow morning, as we have arranged for him to come out and show me the place where the young oysters are.

The ship's position to-day is exactly 15½ miles from Colombo Lighthouse, and at night I could only see the light by going up the rigging to an elevation of 22 feet. I could not see it from the poop deck at an elevation of 18 feet, but only the glare of it, and so nicely was it balanced on the horizon at 22 feet that I could not see it at 20 feet. By the rule in Norie's Epitome of Navigation, the light should have been seen 18½ miles.

Thursday, 9th April.

This morning the boats went out to work round the ship and then down on each side of the buoys to the S.S.E.

The *Active* came out with Mr. Haughton this morning, and we went down south to where the Mudaliyár and some fishermen were waiting for us on the beach about four miles from Negombo Point. The Mudaliyár and the fishermen came off in a canoe and showed us some dead shells of the young oysters (about six months old) now covered over with sand and all dead. The oysters were on the sandstone ledge skirting the shore, and were not likely to have survived long in such a position, and there were too few of them to have been of any value even if they had survived; but it was thought, and reasonably so, that these oysters were merely in drift from some larger bed of them out to seaward somewhere in the neighbourhood. The Mudaliyár said the fishermen could point out two rocky places a little way off on which there might be oysters; so we went out to those spots, which turned out to be within half a mile of the southern buoy laid out yesterday, but after several dives on rock and sand we gave up the search as fruitless. The rocky ground seemed to be favourable for oysters to settle upon, but it was of very small extent. We returned to the ship at noon, and shortly after the boats came and reported nothing but sand when working round the ship, and only a few dives on rock, as they went along the line of buoys to S.S.E. Not a sign of an oyster.

I have been working for the last four days chiefly with the view of finding a bed of oysters from which those on the beach might have been driven during the northerly winds of the early months of this monsoon, but have found none ; and as I have now exhausted the search of the rocky beds off Negombo, I have come to the conclusion that those young oysters were a mere chance drift of some oyster spat that came on the sand stone reef and adhered to it until they were covered over with sand by the action of the waves.

Having finished our work off Negombo and the inspection for the season, we got underweigh with a nice sea breeze at 2 P.M. for Silávatturai and the *Active* took Mr. Haughton back to Negombo. Passed Chilaw about 7 P.M.

Friday, 10th April.

This morning we were off Návikádu with a light S.E breeze blowing, which gradually got lighter as the day advanced till it worked round into a sea breeze about 11 o'clock.

We passed Dutch Bay about 3.30 P.M. with a pleasant sea breeze blowing. No sign of the *Active* overtaking us as yet. Anchored off the north end of Káraitívu at 9 P.M., the wind having fallen light.

Saturday, 11th April.

Got under weigh at daylight with a light S.E. breeze, and proceeded to the N.E., and shortly after we saw the *Active* in towards Kutiraimalai coming out to meet us. When she came alongside it was ascertained that she had passed us during the night of the 9th without seeing us, and arrived here yesterday She took us in tow to the place where we got young oysters, or what are said to be young oysters, on the 20th March, between Káraitívu and Kutiraimalai, and after lifting a few buckets full of them we proceeded on to Silávatturai where we anchored at 1 P.M. The boats then went into Kondachchi Point for loads of stone, and after being laden the *Active* took them in tow and we proceeded out to the reef to pile up more stone round the oyster tank to make it more secure for the S.W. monsoon. We also dug out a small tank for the oyster spat from Káraitívu, but had to leave the reef before it was finished. The big tank looks as if it would be all the better of more stone on the S.W. side, which shall be done to-morrow.

Sunday, 12th April.

This morning we went out to the reef with four boats of coral stone from Kondachchi and piled it round the oyster tank, which is now, I think, secure against the S.W. monsoon. The young oysters are still alive and flourishing, and as they have now been 33 days in the tank, I see no reason why they should not continue to flourish.

We also completed the smaller tank and placed in it the oyster spat lifted yesterday morning. If they should survive till next year the question whether they are the real pearl oyster will by that time be definitely settled, although I am now rather sceptical on the point, as I find they have not grown any more like the real oyster since I first saw them three weeks ago, although in the interval they certainly have grown somewhat larger. Some of the spat which I then put into a glass globe are still alive, and have grown a little, and although they resemble the real oyster, and might be mistaken for them, still there are points of difference between them.

Monday, 13th April.

Employed to-day in landing the boats and securing them in the verandah of the Silávatturai bungalow till they are required for the next inspection.

Tuesday, 14th April.

Sent the divers and munducks up to Mannár in the *Active* this morning, and told the man in charge to be back here this evening. The Colombo boatmen were employed in fastening olas round the verandah of the bungalow to keep the sun off the boats, and when this was done the boats looked as if they would be snug and secure until they are next wanted.

Wednesday, 15th April.

At 1 A.M. got under weigh for Colombo with a light easterly breeze. The *Active* was directed to start at 4 and follow us.

At 11 A.M. the wind fell light, and we were taken in tow by the *Active*. Passed Dutch Bay at noon, when a pleasant sea breeze sprung up. Cast off the *Active*. Passed Navakadawa about 6 P.M. The sea breeze worked round to the northwards at sunset, and continued in that direction for the rest of the night.

Thursday, 16th April.

At 3 A.M. the northerly wind suddenly ceased and sprung up from the southward, so we were taken again in tow by the *Active*. At daylight we were a little south of Chilaw. Noon, a pleasant sea breeze sprung up, when we cast off the *Active* abreast of Negombo. Arrived in Colombo harbour at 6.30 P.M. This would have been a splendid season for a fishery, as there has been no break in the weather by the usual spell of S.W. winds, so the fishing might have gone on without interruption since the 1st March.

J DONNAN,
Inspector of Pearl Banks.

VII.—1885.

PROCEEDINGS

OF THE

INTERIM IRRIGATION BOARD.

Ordered by His Excellency the Governor to be Printed.

Colombo:

GEORGE J. A SKEEN, GOVERNMENT PRINTER, CEYLON.

1885.

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INTERIM IRRIGATION BOARD.

I.—CENTRAL PROVINCE.

First Meeting, 18th June, 1885.

At a meeting of the Interim Irrigation Board for the Central Province held on the 18th June, 1885, at Colombo—

Present:

The Hon. the Government Agent, Central Province.
The Hon. the Surveyor-General.
The Director of Public Works.

2. The Hon. the Government Agent, Central Province, reported to the Board the schedule of proposed Irrigation Works for the year 1886. Of these works, the restoration of the Minipé-ela, the Elahera canal, the Yódibenda-ela, and connected works, alone came within the terms of the Colonial Secretary's letter dated 25th March last, and all the information in the Government Agent's possession with regard to these works had been already submitted by him to the Board a few days ago.

3. At present the only portions of this scheme that had been sanctioned by Government were :—

(1) A survey of the Minipé-ela, from its mouth at the Mahaveli-ganga to a distance northward of 14 miles, in the interest of the immediate locality ; and
(2) A survey of 11 miles of the Elahera canal, from its issue at the Amban-ganga in a N.E. direction.

4. After a study of the papers, &c., it was apparent to the Board that it would not be desirable that the irrigation elas mentioned in paragraph 2 should be treated separately, but that, in the first instance, an examination should be made of the entire irrigation system, of which the elas in question are probably but component units.

5. The Board are therefore of opinion that, in order to clear up the doubtful questions in regard to the trace and interconnection of these canals with the main streams, a preliminary examination (and surveys) of the ground between the Amban-ganga and Mahaveli-ganga is indispensable as a basis for their subsequent report to Government, and they recommend that this be undertaken at once.

6. In order to carry out these surveys with expedition and economy, they recommend a joint action of the two Departments of Survey and Public Works, as follows :—

7. As the Public Works Department is on the point of commencing the survey of Minipé-ela, and is at work at the Elahera canal, the Board are of opinion that the surveyor charged therewith should connect his surveys with the bench-marks and surveys of the Surveyor-General's Department. For instance, in the case of the Minipé-ela the Public Works surveyor should in his progress northward connect his work with the surveys of the Mahaveli-ganga, so far as they are at present completed by the Surveyor-General's Department ; that he should work from a datum point furnished by the latter Department ; and that, so far as the plotting of the topographical survey is concerned, this work should be done on the scale of four chains to an inch. Further, that he should continue the survey of the ela northward to its supposed intersection with the Amban-ganga. The same procedure should be adopted in the case of the Elahera canal, the surveyor connecting his surveys and levels with the authenticated data of the Surveyor-General's Department, and plotting the topographical survey on the same scale of four chains to the inch.

8. The Survey Department, in the opinion of the Board, should, *pari passu* with the Public Works Department, take up the survey of the unfinished part of the Amban-ganga and of its tributaries on the right bank, determining at the same time the relation between the Yódibenda-ela and the Elahera canal, and looking carefully for indications of other ancient works of irrigation in the course of their work.

9. If this proposal for survey receive the approval of Government, and the work be placed in hand at once, the Board anticipate that they will be in a position to make a report as to the desirability, or otherwise, of restoring these irrigation works in sufficient time for their being included in the vote for the year 1886.

JOHN F. DICKSON,
Government Agent, C. P.

F. C. H. CLARKE,
Surveyor-General.

J. F. CHURCHILL,
Director of Public Works.

Colombo, 24th June, 1885.

Second Meeting, 19th August, 1885.

At a meeting of the Interim Irrigation Board for the Central Province held at Colombo on the 19th August, 1885—

Present:

The Hon. the Government Agent, Central Province.
The Hon. the Surveyor-General.
The Acting Director of Public Works.

The Board proceeded to record progress of the irrigation surveys recommended by them at their first meeting of 18th June, reported to the Colonial Secretary on 24th June, and approved by Government in letter of 13th July.

The Surveyor-General informed the Board that two surveyors—Messrs. Snowden and Erskine—commenced their work in the basin of the Amban-gaṇga in the last week of July.

The Director of Public Works brought to the notice of the Board that Mr. Robertson, a private surveyor, who had contracted for the survey of the head-works and seven miles of the Elahera canal, had thrown up the work after completing the former and two miles of the latter, in consequence of severe attacks of fever which had prostrated him and his coolies. The Director of Public Works mentioned the great difficulty, almost the impossibility, of providing a successor to Mr. Robertson either in the Department or among private surveyors; and the Surveyor-General expressed his inability to spare a third surveyor for this work.

As regards the tracing of the Minipé canal, nothing had yet been done.

The Board are strongly of opinion that every effort should be made to utilise the remainder of the season before the break of the North-East monsoon by the provision of an extra surveyor; and, to this end, they would beg to urge the attention of Government to the recommendation made by the Surveyor-General and Director of Public Works in the concluding paragraph of their joint report of 15th June last.

The Board further suggest that it appears eminently desirable to restore to the Public Works Department the two Tracing Officers whose appointments have been allowed to lapse, their services being much required for irrigation surveys.

For the coming year, 1886, the Board recommend that a sum of Rs. 5,000 be placed in the estimate for the prosecution of the irrigation surveys of the Minipé-ela, Amban-gaṇga, and Elahera. This estimate pre-supposes that the work is done by Government officers, whom the Board consider far preferable for this class of work than the generality of private surveyors.

The Board having duly considered the letter of the Hon. the Colonial Secretary to the Hon. the Government Agent, Central Province, No. 671 of 26th June, 1885, and connected papers, have come to the conclusion that it is desirable to recommend, for the consideration of Government, that there should be efficient supervision of the village tanks in the Matalé District. They consider that the Superintendent should be placed under the orders of the Government Agent for any irrigation works or surveys that may be required, with the proviso that, whenever works are executed on an estimate, such works should be designed and carried out under the immediate supervision of the Public Works Department; while in all cases the levels of such surveys or works should be connected with the permanent bench-marks of the Surveyor-General's Department, and all surveys should be carried out in such way that they may be recorded on the maps of the Colony, and for that purpose should be forwarded on completion to the Surveyor-General.

JOHN F. DICKSON,
Government Agent, C. P.
F. C. H. CLARKE,
Surveyor-General.
ROBERT K. MACBRIDE,
Acting Director of Public Works.

Colombo, 1st September, 1885.

II.—WESTERN PROVINCE.

First Meeting, 1st April, 1885.* Second Meeting, 22nd September, 1885.

At the second meeting of the Irrigation Board of the Western Province held at the Kachchéri, Colombo, on 22nd September, 1885—

Present:

The Hon. the Government Agent, Western Province.
The Hon. the Surveyor-General.
The Acting Director of Public Works.

the following resolutions were adopted :—

1. The first scheme proposed by the Government Agent for discussion was that of the Embulpitiya tank, destined to benefit 300 acres of land in a very poor district. The poverty of the people is the chief recommendation for this work.

There is some doubt, however, whether the Hulandu-oya, by which this tank is fed, will have sufficient water in it after irrigating the Walulgoḍa fields situated higher up stream.

* The first meeting was of a preliminary character

Surveys by the Survey Department are in existence, and at this moment the Provincial Assistant, Public Works Department, is engaged in investigating the possibility of increasing the volume of the Hulandu-oya by turning into its affluent, the Julpęlęssa, a body of water by means of a dam on the Erépóruwa river at Maduwanwela.

The Board await the result of this investigation.

2. The restoration of the Wak-oya dam below Labugama was next mooted. A dam was erected across the Wak-oya some years back, a few miles to the south of Haṇwęlla, for the purpose of irrigating a tract of about 325 acres, but was of too weak construction and was destroyed.

Some misconception has existed hitherto in regard to this scheme. It has been held that the surplus water passing over the reservoir spill, after satisfying the City water-supply, would be insufficient for irrigation purposes in the valley below. This is probably true, but the Government Agent reminded the Board that there are other independent and important affluents of the Wak-oya, below the spill, available for the scheme under consideration.

This fact alters entirely the circumstances, and the Board, from their local knowledge, incline to the view that the water-supply would be adequate for irrigating the fields about Haṇwęlla.

The Board, at the same time, note that the estimate (Rs. 17,000) is out of all proportion to the comparatively small tract of land to be benefited, and resolve to refer the scheme to the Director of Public Works for a revision of the estimate prior to further consideration

3. Mulleriyáwa tank near Kaḍuwela.—The Board are somewhat doubtful of the success of the proposal to restore this tank; but, before pronouncing an opinión thereon, desire that Mr Vine's report be laid before them, together with any work that may have been undertaken under the Colonial Secretary's letter of 6th December, 1884.

4. Restoration of Buṭugedara channel.—This work is intended to benefit 125 acres of land, and has been before Government on previous occasions. The estimated cost of the works is Rs. 11,950, exclusive of some native claims on the channel, which would have to be purchased.

Resolved that further consideration of this work stand over until next meeting, pending some fresh reports by the Assistant Government Agent, Ratnapura, now in course of preparation.

5. Diyanna tank in the Męda Kóraḷé of the Ratnapura District.—Resolved that this tank, being only seven acres in extent, be treated as a village tank

6. Restoration of the Kompé-ęla near Bopé in the Kalutara District, which for some reason has not been a success.—As no proper surveys and estimates are forthcoming, resolved that this question be disposed of by the Director of Public Works.

7. Grandpass sluice gates.—Three gates are proposed at Grandpass to drain some 450 acres of land (suitable for paddy cultivation) at the time of freshets, to which the river is subject. The drainage of this ground is also reported as desirable for sanitary reasons, in consequence of the water accumulating and becoming stagnant under the present condition of things.

The estimated cost of these gates is Rs. 2,700, and the Board are inclined to recommend that the expense be sanctioned, provided that no further charge is incurred for the labour of clearing channels, or other earthwork, which the Board think should be done by the owners benefited.

The Government Agent agrees to find out whether the owners will acquiesce in this arrangement, prior to the Board making any recommendation to Government.

F. R. SAUNDERS,
Government Agent, W. P.

F. C. H. CLARKE,
Surveyor-General.

ROBERT K. MACBRIDE,
Acting Director of Public Works.

Colombo, 3rd October, 1885.

III.—NORTHERN PROVINCE.

7th September, 1885.

At a meeting of the Board held at Vavuniya-Viláṇkulam on the 7th September, 1885:—

Present:

The Hon. the Surveyor-General.
The Government Agent, Northern Province.
The Acting Director of Public Works.

it was agreed as follows:—

1. The Board, without offering an opinion on the subject, deem it necessary to allude to the great irrigation scheme of the Northern Province—the Giant's Tank. This scheme, together with Mr. Parker's report and surveys, is well known to, and is ripe for the decision of, the Government. The cost of the scheme is estimated at Rs. 1,060,000, while its success as a remunerative work would depend entirely on the attraction it might offer to immigrants from the Jaffna Peninsula.

2. The Government Agent next drew the attention of the Board to the importance of restoring the group of tanks situated within a radius of six miles round Vavuniya-Viláṇkulam. He was convinced that the lands would sell, and that, although the present population is small, there would be no difficulty in inducing the Tamils to migrate from the Peninsula directly the tanks are restored.

The tanks in question are as follows :—

(*a*) Vavuniya-Vilánkulam with Manda Koteh, provided there is sufficient water for the latter tank after the requirements of Vavuniya-Vilánkulam are satisfied.

(*b*) Iratperiyakulam with Pavetkulam and Olukkulam.

(*c*) Mamadu with Vymankallu.

The extent of land irrigable under these tanks is estimated approximately as hereunder :—

Vavuniya-Vilánkulam : 500 acres, of which about 130 are private property, the remainder (370 acres) being Crown land.

Manda Koteh : irrigable area 230 acres, of which about 80 are held by proprietors, the remaining 150 acres being Crown.

Iratperiyakulam: irrigable extent 360 acres, of which about 70 are private and 290 Crown.

Pavatkulam and Olukkulam : the survey of these two connected tanks is not quite ready, but the irrigable area may be taken to be from 1,500 to 3,000 acres, all Crown land.

Mamadu and Vimankallu : irrigable area 300 acres, of which 33 are private, and 267 Crown property.

Consequently, the total area of Crown land that could be sold and placed under cultivation by the restoration of these tanks may be taken at 2,500 to 4,000 acres.

3. The Board are of opinion that, provided due economy is exercised in the cost of the works of construction, there is good prospect of the proposed scheme proving remunerative, while the station and its vicinity, by ensuring to it a good water-supply, and by converting it from jungle to cultivated fields, would be greatly improved in a sanitary point of view.

They recommend, therefore, to Government that the scheme be taken in hand and the tanks restored in the following order, the rate of construction proceeding *pari passu* with the rate of immigration into the District :—

(1) Vavuniya-Vilánkulam to be at once placed in thoroughly substantial order, as any failure in the water-supply would seriously affect the health of the station.

The Director of Public Works proposed a modification in Mr. Parker's method of dealing with the leakage through the bund of this tank, with the object of effecting a considerable saving on Mr. Parker's estimates.

The other members of the Board fully concurred in the desirability of reducing expenditure, provided at the same time efficiency is not sacrificed.

It was therefore resolved that the Board reserve its decision on the point until after an examination of the drawings of the proposed design of the Director of Public Works and estimates based thereon. The Board, however, recommend that the trees on the bund be removed at once as an urgent work.

(2) Iratperiyakulam is the next tank in theorder of urgency.

(3) Mamadu and Vymankallu.

(4) Pavatkulam and Olukkulam.

(5) Manda Koteh, subject to the proviso in para. 2 (*a*) above.

For 1886 the Board suggest that the works at Vavuniya-Vilánkulam and Iratperiyakulam be taken up, and that surveys and estimates of Pavetkulam and Mamadu be carried to completion, ready for consideration for 1887. For these purposes they recommend that a sum of Rs. 50,000 be apportioned, of which Rs. 20,000 have lapsed from the vote for 1885. The surveys and estimates of the work at Iratperiyakulam should be commenced at an early date, so that everything may be in readiness to commence work at this tank not later than March, 1886.

4. The Board recommend, for the consideration of Government, that Mr. Parker should continue his investigations of the irrigation system of the Northern Province, especially the scheme for irrigating the Karachchi of the Jaffna District, where lands would be readily taken up were a permanent water-supply ensured.

F. C. H. CLARKE,
Surveyor-General.

W. C. TWYNAM,
Government Agent, N. P.

ROBERT K. MACBRIDE,
Acting Director of Public Works.

7th September, 1885.

IV.—SOUTHERN PROVINCE.

15th October, 1885.

At a meeting of the Irrigation Board, Southern Province, held at the Kachchéri, Galle, on 15th October, 1885—

Present:

The Hon. the Surveyor-General.
The Government Agent, Southern Province.
The Director of Public Works.

the following resolutions were adopted:—

1. The first subject discussed was the scheme for diverting water from the Walawé-gaṇga

to the East Giruwa and Mágam Pattus, by constructing an anicut across the river and the requisite channels leading through the two Pattus, situated respectively on the right and left banks.

All the members of the Board having inspected the river and the adjacent country, it was resolved, in view of the present scarcity of population in the Mágam Pattuwa, that it is desirable to restrict present action to subserving the wants of the people on the right bank of the river—the East Giruwa Pattuwa—leaving the question of the Mágam Pattuwa for future consideration.

It was generally agreed that the wave of emigration from the more populous districts round Tangalla should be encouraged to flow gradually eastward, and that irrigation works should only just keep ahead of the normal steady flow. Experience shows that the characteristics of the people and the nature of the climate in Ceylon are such that, in the majority of cases, irrigation works which anticipate, rather than keep pace with, the requirements of the people have failed in their object.

After calling for a return of the villages, population, &c., in the East Giruwa Pattuwa, likely to be benefited by the proposed scheme, the Board find that, of the 22 villages, no less than 17 lie in the valley of the Kachchigala-áru, an insignificant stream which takes its rise in the Morowak Kóralé hills, and runs with a parallel course to the Walawé at an average distance of four or five miles to the westward of it. The country between the two rivers has a watershed, which in the particular locality in question rises, according to previous levels, to a height of some 80 feet above them.

The population in the Kachchigala valley, distributed in 17 villages, comprises 2,762 inhabitants, whereas the remaining five villages, lying nearer to the Walawé, have only a population of 812 souls.

The Board, on a consideration of this circumstance, are of opinion that the first step to be taken is to provide a permanent source of water-supply for irrigation purposes for these 17 villages. They therefore recommend that one or more lines of levels be run with the object of discovering whether, without excessive cutting and length, a canal is feasible leading from the Walawé river to the valley of the Kachchigala-áru, and conveying water, if possible, to the most northerly of the 17 villages, and to the rest in sucession.

When the position of the canal has been determined by such levels, the locus of the anicut will be dependent on that position.

In the opinion of the Board, the first tentative line of levels* should be run from a point on the Walawé, known as Liyangahatota, and if this prove unsuitable, another line should be tried. They await the result of these lines of levels before making any further recommendation to Government.

2. The next subject which engaged the attention of the Board was a proposal to erect a series of anicuts across the Kirama stream in the West Giruwa Pattuwa.

The Board are not prepared to offer an opinion as to the number of anicuts that may eventually be required, until the entire course (21 miles) of the Kirama has been surveyed, and the valley either contoured or cross-sectioned at certain convenient intervals. They recommend that this survey be proceeded with and carried to completion.†

The Board, after inspecting the proposed site of the anicut highest up the river, known as the Maha-amuna—a native dam—consider the site defective not only on account of the character of the foundations, but also on account of its position with reference to the lie of the ground.

After making local inquiries, they believe that a site can be found rather higher up the valley, where the features of the ground and the foundations are more favourable. They await this further examination of the ground before making any definite recommendation to Government.

It is understood from the Government Agent that the people are willing to do the ordinary earthwork in connection with excavating channels here and in the East Giruwa Pattuwa.

3. The third subject under discussion was the cutting of a channel between Maha Dehira in the Mágam Pattuwa and the Mágam fields.

The object of this channel is to carry off the surplus water from the Tissa fields and the Sitrawila tank for the purpose of irrigating the Mágam fields, which at present have an uncertain supply. A survey being in course of execution, the Board reserve their recommendation on this head.

4. The next matter, and a most important one, brought before the Board was the water-supply for the town of Tangalla.

This town of some 1,500 inhabitants—the seat of a District Court, Police Court, Jail, and Civil Hospital—often suffers from a dearth of water in the months of March and April, and again from an insufficiency in the months of August and September. The wells are mostly brackish when the water is low.

The Board, having inspected the district are of opinion that two alternative schemes offer themselves for the consideration of Government :—

(1) By laying on a source of pure water-supply from the springs at Ambala.
(2) By diverting a supply from the Kirama stream.

A storage reservoir would be required in either case, with some slight differences in construction.

The springs at Ambala are situated in a valley some seven miles, as the crow flies, from the town of Tangalla and about due west of it. The source of water-supply is perennial and abundant, and the water of excellent quality, with a faint mineral taste. No better supply

* This levelling is now in progress. † This survey is in progress.

could be wished for, the only objection that might be raised would probably be that of the expense of a conduit pipe leading to Tangalla.

The alternative source of supply is that furnished by diverting the Kirama stream from a point near the town into a storage reservoir. A stone anicut would be necessary, and a channel of about one mile long in lieu of the conduit pipe from Ambala.

The water from the Kirama stream is impure, as it receives the drainage from the neighbouring country and the overflow from extensive tracts of paddy fields. Such water cannot be wholesome, and on the day of our inspection, after some slight rain, it was turbid and discoloured, and of a hue not very different from the Thames at Westminster. It would be necessary to pass it through a properly constructed filtering bed at the reservoir before it could be used for drinking purposes. Even then it could not compare with that from the Ambala springs.

Before making any recommendation for the consideration of Government, the Board resolve that in the first instance a survey* should be made with a view to determining whether it would be possible to carry a pipe line from the Ambala springs to the town without an excessive outlay.

F. C. H. CLARKE,
Surveyor-General.
W. E. T. SHARPE,
Government Agent, S. P.
ROBERT K. MACBRIDE,
Director of Public Works.

11th November, 1885.

V.—NORTH-WESTERN PROVINCE.

28th August, 1885.

At a meeting of the Interim Irrigation Board held at Kurunégala on 28th August, 1885—

Present:

The Hon. the Surveyor-General.
The Government Agent, North-Western Province.

1. The Board are of opinion that the first question in order of urgency is that of the Tmipitiyawewa, which constitutes at present a standing grievance with the native proprietors. The Board are not disposed, at any rate at present, to recommend that any great scheme should be undertaken in connection with this tank, but they are of opinion that a thorough examination of the ground should be made for the purpose of ascertaining whether some scheme cannot be devised for giving the present proprietors an adequate water-supply, to which they are justly entitled in return for the water-rate levied upon them.

2. The Board consider that the project of erecting a permanent anicut across the Deduru-oya, in connection with the channel and head sluice constructed in 1872, promises to be beneficial and desirable, provided that the anicut can be constructed for a reasonable sum. There is reason to believe that there are not less than 2,500 acres irrigable under this channel, and that the proprietors would readily pay a water-rate. But as a permanent anicut in this particular locality would, as far as can be foreseen, be costly, they recommend that a survey of the irrigable land should be undertaken with a view to ascertaining the prospective success of the scheme.

3. The Board recommend that detailed estimates for the thorough repair of the Mahá-uswewa tank be called for, as the moral effect upon the native mind caused by leaving this work unfinished is very bad.

4. The Pandawewa project seems to the Board to be feasible, but there appears to be no pressing necessity for undertaking it. There are works of greater urgency in the Province, and this particular scheme might await the further development of the Chilaw District. The estimated area of lands irrigable is 3,200 acres, the population to be benefited is about 8,500, and the estimated cost of the works is Rs. 102,000, of which Rs. 38,000 is for the diversion of the road.

5. The Board consider that the project of constructing an anicut across the Deduru-oya up stream and above the bridge on the Kurunégala-Dambulla road, is worthy of examination, as, were it practicable within reasonable money limits, water would be guaranteed to a district where cultivation often fails from its want. They recommend a vote for this survey.

6. The Siyambalágamuwa restoration project seems also feasible, but there appears no immediate necessity for taking it in hand. The estimated cost of restoring tank and channels is Rs. 110,000; area of lands irrigable, 5,000 to 10,000 acres; population of the Kóralé of Hatalispahé, 8,907.

7. The Board finally bring to the notice of Government that the restoration of the ancient anicut near Giriulla, and of the Yakábenda-ela in connection therewith, was suggested in 1876-7, but was ordered to stand over by Government. The approximate cost, as estimated

* A surveyor being on the spot, orders have been sent to him to carry out the survey.

by Mr. Mosse, was Rs. 200,000, to irrigate 7,000 to 8,000 acres of land. The Board are not prepared to recommend the work without detailed surveys and estimates to guide them.

In connection with this particular work, the Board note that applications have been sent in for some 2,000 acres of land (for cocoanut cultivation) in the vicinity of the ela, showing that there is some activity in this locality.

F. C. H. CLARKE,
Surveyor-General.

G. S. WILLIAMS,
Acting Govt. Agent, N.-W. P.

ROBERT K. MACBRIDE,
Acting Director of Public Works.

10th September, 1885.

VI.—NORTH-CENTRAL PROVINCE.

10th September, 1885.

At a meeting of the Interim Irrigation Board, North-Central Province, held at Anurádhapura on the 10th September, 1885—

Present:

The Hon. the Surveyor-General.
The Government Agent, North-Central Province.
The Acting Director of Public Works.

the following recommendations were adopted :—

1. The requirements of the people of this Province have already been so largely anticipated by the restoration of the village tanks and by the sanctioned repair of Kalawewa and the Yódi-ela, that very few works of a remunerative character remain to be considered.

2. The repair of the larger ruined tanks, such as Padavil, Minnériya, and Kawudella, lying in the uninhabited parts of the Province, may be matter for consideration some years hence, but at present the expenditure necessary for their repair could not be justified from any point of view.

3. The two works brought forward by the Government Agent—Nuwarawewa and Tópáwewa—are more favourably situated, and, as the lands watered by them give promise of meeting with a ready sale, we have no hesitation in supporting the proposal for a preliminary contour of the bed and a block survey of the irrigable land under each tank, with estimates of the cost of repair of the tanks. We recommend that these be immediately undertaken.

4. The repair of Nuwarawewa is, we think, warranted by the success which has attended the restoration of the Basawakkulam and Tissawewa tanks on the opposite banks of the Malwatuoya. More than a thousand acres of land have already been sold under those tanks at an average rate of Rs. 18 an acre and subject to a perpetual water-rate of a rupee an acre, while applications have been received for upwards of 500 acres, which there is reason to believe would be purchased during the present year.

5. The restoration of Tópáwewa in Tamankaduwa is recommended on different grounds. The repair of the village tanks has not extended to that division. The people are poor and live in scattered groups, and have no means of securing regular harvests. They suffer great privations periodically from drought and from unseasonable floods, and it is thought that the restoration of Tópáwewa will afford a means of concentrating the villagers round a convenient centre, and enable them to obtain more regular means of subsistence.

6. An approximate statement of the revenue returns which may be fairly anticipated from the execution of these works is annexed :—

SCHEDULE of Irrigation Works proposed for execution during 1886.

		Nuwarawewa.	Tópáwewa.
Area of tank ...	...	1,500 acres	904 acres
Proposed head of water ...	...	16 feet	15 feet
Approximate irrigable area { Private	...	255 acres	30 acres
Approximate irrigable area { Crown	...	1,000 ,,	1,000 ,,
Selling price of Crown land...	..	Rs. 15 an acre	Rs. 10 an acre
Estimated annual yield ...		Two crops at 10-fold=40,000 bushels	Two crops at 10-fold=40,000 bushels
Anticipated tythe from Irrigation land	...	Rs. 4,000	Rs 4,000
Water-rate ...	...	Rs. 1,255 in perpetuity	Rs. 1,030 in perpetuity
Settled population ...	...	As yet none	889

F. C. H. CLARKE,
Surveyor-General.

F. C. FISHER,
Government Agent, N.-C. P

ROBERT K. MACBRIDE,
Acting Director of Public Works.

16th September, 1885.

VIII.—1885.

DEFENCE OF COLONIAL POSSESSIONS ABROAD.

DESPATCHES

RELATING TO THE

PROPOSED FORTIFICATIONS OF COLOMBO.

Ordered by His Excellency the Governor to be Printed.

Colombo:
GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1885.

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PROPOSED FORTIFICATIONS OF COLOMBO.

No. 1.

The Right Hon. the SECRETARY OF STATE for the Colonies to Governor the Hon. A. H. GORDON, G.C.M.G.

Ceylon.—General. Downing-street, 16th October, 1884.

SIR,—I HAVE the honour to transmit to you, for your information, the enclosed copy of correspondence presented to Parliament on the subject of the Defence of Colonial Possessions and Garrisons abroad.

I will address you further on the subject as soon as I am in a position to inform you when the proposed works are about to be commenced.

I have, &c.,
DERBY.

Enclosures in No. 1.

(1) The WAR OFFICE to the COLONIAL OFFICE.

War Office, 19th March, 1884.

SIR,—REFERRING to former correspondence on the defence of British possessions and commerce abroad, and to the report of the Royal Commission on this subject, dated 22nd July, 1882, I am directed by the Secretary of State for War to acquaint you, for the information of the Earl of Derby, that it has been decided to adopt, as a basis of action in dealing with the defence of the various foreign stations, the recommendations of the Inspector-General of Fortifications on the above report, which have been generally approved by the Defence Committee.

It is accordingly proposed that the defences of the Naval Stations of Singapore and Hongkong shall be first taken into consideration.

Having regard to the great interest which the Colonies have in the protection of their stations against sudden attack, it appears reasonable that the cost of these defences should be borne by the local Governments, or, if Lord Derby is of opinion that the whole cost cannot be equitably charged against them, the armaments might be provided by the Imperial Government.

I am further to observe that the security of our alternative route to India, *viâ* the Cape, renders it desirable to fortify the Ports of Simons Bay and Table Bay at the Cape of Good Hope. It is suggested that Simons Bay being a Naval station the cost of the defences necessary to render it a safe anchorage for our ships of war seeking its shelter should be borne by the Imperial Government, while the Cape Government should be invited to initiate means for the defence of Table Bay on the ground that the interests to be protected there are purely colonial and commercial.

I am to enclose, for Lord Derby's information, the accompanying summary of the recommendations of the Inspector-General of Fortifications on the Report of the Royal Commission on the Defence of British Possessions and Commerce Abroad.

I am to add that a further communication will be addressed to you as to the expense of extra garrisons, torpedo corps, &c. required.

The Under Secretary of State,
Colonial Office.

I have, &c.,
RALPH THOMPSON.

Sub-Enclosure.

SUMMARY OF RECOMMENDATIONS of the Inspector-General of Fortifications in his Memorandum on the Report of the Royal Commission on the Defence of British Possessions and Commerce Abroad, which has been approved generally by the Defence Committee, under the Presidency of His Royal Highness the Field Marshal Commanding-in-Chief, subject to future consideration of details.

* * * * * * * *

CEYLON.

Trincomalee must always be, as it ever has been, the rendezvous and base for our fleets and ships in the Indian Ocean; and its safe and commodious natural harbour should therefore be made secure.

		£
Works	...	25,000
Armament	..	20,000
Total	...	45,000

Colombo is of importance chiefly on account of the mercantile interests subserved by its artificial harbour. It is also the seat of Government of the Island; but, from an Imperial point of view, as a harbour for our fleets, it is of less value than Trincomalee.

	£
Works .	20,820
Armament . .	25,000
Total . .	45,820

* * * * * * * *

(4)* The Colonial Office to the Treasury.

Downing-street, 15th July, 1884.

Sir,—I am directed by the Earl of Derby to transmit to you the accompanying copy of a letter from the War Office,† relative to the steps to be taken for defending various stations abroad.

2. Lord Derby is of opinion that the entire cost of the proposed works and armaments could not in any circumstances have been borne by the Colonies, and their Lordships will have observed that on the 7th instant the Marquis of Hartington mentioned to the House of Commons the decision on this point which had been arrived at by Her Majesty's Government, viz., that in two cases, those of the Straits Settlements and Hongkong, the Colonies should defray the cost of the necessary works, Her Majesty's Government contributing the armaments.

Lord Derby is of opinion that action should be taken on these two cases with the least possible delay.

3. As regards Ceylon, his Lordship concurs in what is proposed, viz., that the Imperial Government should undertake the defence of Trincomalee, the Colonial Government being left to decide whether they will incur the expense of defending Colombo.

The Secretary to the Treasury.

I am, &c.,
R. H. MEADE.

No 2.

The Right Hon. the Secretary of State for the Colonies to Governor the Hon. A. H. Gordon, G.C.M.G.

Ceylon. - No. 134. Downing-street, 15th October, 1885.

Sir,—I have the honour to inform you that the question of the defence of Colombo has been lately again carefully considered by Her Majesty's Government.

2. In your despatch No. 229 of the 28th of May last you stated that you "gathered that it was the intention of Her Majesty's Government to fortify Colombo at a cost of £45,820, which was to be borne by the Colony;" but I have to point out that in paragraph 3 of the letter from the Colonial Office to the Treasury of 15th July, 1884, included in the correspondence which accompanied my predecessor's despatch (marked *General*) of 16th October last, it is said, "As regards Ceylon, his Lordship concurs in what is proposed, viz., that the Imperial Government should undertake the defence of Trincomalee, *the Colonial Government being left to decide whether they will incur the expense of defending Colombo.*"

3. The decision to defend Trincomalee in preference to Colombo was taken on purely Imperial grounds, and in view of the requirements of other Colonies, the Imperial Government hesitated to undertake the expense of defending two harbours in Ceylon.

4. The necessity of defending Colombo was fully recognized, and a plan of defence has, in fact, been prepared and approved. The cost of the proposed works is estimated at £20,820, and of the armament at £37,800.

The cost of the armament given in the Parliamentary Paper that accompanied my predecessor's despatch of 16th October last was only £25,000; but the amount has been increased, as in the case of Trincomalee and other ports, for the reasons explained in the further Parliamentary Paper forwarded in my predecessor's despatch of 24th November last, viz., because it is proposed to provide armaments of a more formidable nature than was at first contemplated.

5. As I have stated above, it was at first intended to leave the Ceylon Government to decide whether they would incur the whole expense of defending Colombo, but in view of the difficulty that the Colony would have in its present depressed financial condition to bear so heavy a burden, and, moreover, considering it inexpedient to treat Colombo in this matter less favourably than Singapore and Hongkong, Her Majesty's Government have now decided that the Imperial Government shall bear the cost of the armament, if the Ceylon Government is prepared to bear the cost of constructing the proposed works at Colombo and of maintaining them in such a state of repair as to satisfy the Military Authorities; and also to furnish substantial assistance to the garrison, either in the shape of local levies or by paying for an additional company of Lascars for service in the batteries.

* (2) & (3) not printed. † *Vide* page 1.

6. As regards the last point, you will remember that the recent decision that the Military contributions should be fixed at Rs. 600,000 per annum for five years from 1st January last, was arrived at on the ground that the force required for Colonial purposes could not exceed 400 men; but this was founded on the assumption that Trincomalee would be the only defended port in Ceylon. If therefore it is now decided to defend Colombo as well, it is clear that some addition to the troops, and especially to the number of the Artillery, will have to be made.

7. It is undesirable to re-open the question of the contribution, or to disturb an arrangement so lately concluded; but, looking to the greatly increased security which would be given to local interests by the defence of Colombo, the expense of which would be partly borne by the Imperial Government, Her Majesty's Government are of opinion that the Colony may fairly be called upon to furnish substantial assistance to the garrison in the shape of local levies. If an efficient force of Volunteer Artillery, drawn from the classes which furnish the existing Volunteers, could be raised, the requirements of Colombo might be met in that manner.

8. If, however, this should prove to be impracticable, Her Majesty's Government think that the Colony ought to bear the expense of an additional company of Lascars for service in the batteries; the success that has attended the formation of the Corps of Lascars pointing to the expediency of increasing this force as a means of strengthening the Artillery.

9. The Imperial Government having thus definitely stated their intention to undertake the sole charge of defending Trincomalee, and having now expressed their readiness to provide the whole armament required for Colombo, it remains for you to urge upon the Colonial Government the necessity for action on their part in order to secure the adequate defence of the principal commercial harbour of the Colony.

10. In consenting to the proposal that the Imperial Government should contribute towards the defence of Colombo the cost of the guns on the above conditions, the Lords Commissioners of the Treasury have repeated the opinion already expressed by them, that if the financial position of the Colony should be better in 1889, the contribution to Military or to Military and Naval expenses might fairly be incurred [*sic*. *quære*, increased].

11. In conclusion, I have to request you to consider this question on your arrival in the Colony, and to report to me as soon as possible whether the Colonial Government is willing to bear their share of the cost of the proposed defences, in which case the works will be commenced without further unnecessary delay.

I have, &c.,

FRED. STANLEY.

IX.—1885.

REPORT

ON AN

EXPERIMENTAL CULTIVATION OF PEARL OYSTERS.

BY

CAPTAIN J. DONNAN,
MASTER ATTENDANT COLOMBO AND INSPECTOR OF THE PEARL BANKS

(In continuation of No. VI.)

Ordered by His Excellency the Governor to be Printed.

Colombo:
GEORGE J. A SKEEN, GOVERNMENT PRINTER, CEYLON.

1885.

EXPERIMENTAL CULTIVATION OF PEARL OYSTERS.

No. 1.

The MASTER ATTENDANT, Colombo, to the Hon. the COLONIAL SECRETARY.

No. 191.

Master Attendant's Office,
Colombo, 17th October, 1885.

SIR,—WITH reference to the 6th paragraph of my letter No. 53 of the 20th April last, on the subject of an experiment in cultivating pearl oysters on one of the coral reefs off Arippu, I have the honour to request authority to run up there in the *Active* at the end of this month to see if the coral embankment I had made round the well on the reef, and the oysters placed in the well, have survived the effects of the S.W. monsoon. I should only be absent six or seven days, and would require no establishment beyond the *Active's* ordinary crew. The coal required for the trip and other incidental expenses might be charged against the *Active's* vote in my Department.

In the event of the experiment having proved successful so far, I should like to enlarge the area of the well on the reef, and increase the number of oysters in it during my inspection of the Arippu Pearl Banks in March next, and I would submit for the approval of Government a proposal for so doing in order that necessary steps might be taken in time.

I am, &c.,
J. DONNAN,
Master Attendant.

No. 2.

The Hon. the COLONIAL SECRETARY to the MASTER ATTENDANT, Colombo.

No. 170.

Colonial Secretary's Office,
Colombo, 22nd October, 1885.

SIR,—I AM directed to inform you that the order of the Officer Administering the Government on your letter No. 191 of the 17th instant is that the authority therein applied for be granted.

I am, &c.,
R. W. IEVERS,
for Colonial Secretary.

No. 3.

The MASTER ATTENDANT, Colombo, to the Hon. the COLONIAL SECRETARY.

No. 215.

Master Attendant's Office,
Colombo, 23rd November, 1885.

SIR,—WITH reference to my letter No. 191 of the 17th October last, I have the honour to report that I left this on the morning of the 13th instant in the *Active* for Silávatturai, and returned on the 21st instant.

2. I regret to say that out of 12,000 oysters placed in the experimental tank on the reef off Silávatturai in March last, I found only 21 alive remaining. Some of the oysters may have been washed out of the tank by the S.W. monsoon sea, as it was not completely sheltered from the wash of the waves, but the bulk of them have, I believe, died off and been destroyed by some fish preying upon them. About 100 dead shells were found in the bottom of the tank, many of which bore evidence of having been bored through and nibbled away. It is just possible that some fish may have got into the tank and preyed upon the oysters either by getting over the coral barrier around it, which would be slightly under water at high-water, or through the interstices of the coral underneath.

3. The experiment so far has been a failure, and may be attributable to four causes:—

1st.—Overcrowding the oysters in the tank;
2nd.—Deficiency of nourishment in water so near the surface;
3rd.—Destruction by fish which had got into the tank and preyed upon them;
4th.—By excessive agitation of the water in the tank during the S.W. monsoon sea;

or probably to all these causes combined.

4. I shall try the experiment again in March next in a tank to be made on a more sheltered part of the reef, with the embankments raised above water and fewer oysters placed on it.

I am, &c.,
J. DONNAN,
Master Attendant.

X.—1885.

COLOMBO HARBOUR.

DESPATCHES

RELATING TO THE

PROPOSED NORTHERN ARM OF THE BREAKWATER.

Ordered by His Excellency the Governor to be Printed.

Colombo:
GEORGE J. A SKEEN, GOVERNMENT PRINTER, CEYLON.

1885.

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COLOMBO HARBOUR.

No. 1.

Governor the Hon. A. H. Gordon, G.C.M.G., to the Right Hon. the Earl of Derby.

The Cottage, Nuwara Eliya,
Ceylon, 20th March, 1885.

No. 137.—*Miscellaneous.*

My Lord,—I have the honour to forward for your Lordship's consideration the enclosed copy of a letter from the Chairman of the Chamber of Commerce, and of my reply, on the subject of a proposal to supplement the present Colombo Breakwater by the construction of a Northern arm.

When the immediate commencement of the undertaking was recently urged on me by a deputation of the Chamber, I pointed out to them the impossibility of imposing any fresh burden on the general revenue of the Colony for the purpose, and the necessity for an explicit justification of their contention that the work, if undertaken, would be self-supporting, and would continue to be so until the whole cost had been extinguished. The letter from the Chairman, which I have now the honour to forward, contains a statement of their case, and it will be seen from my reply that, while doubting whether their suggestion is practically feasible or even financially sound, I have undertaken to lay it before your Lordship, in order that it may be definitely ascertained whether it is possible to raise the funds required for the construction of a Northern arm on the sole security of additional Port and Harbour dues, and without entailing any direct or indirect risk or liability on the general revenue of the Colony.

To further assist your Lordship in the consideration of the question, I enclose a statement by the Auditor-General showing the financial result of the working of the Harbour Fund for 1884, and the additional amount that will be required in this and future years to balance the account, and a paper prepared by the Chamber on the financial resources of the port. It will be observed that when the latter paper was prepared, the Chamber was not aware that for the year 1884 there was a large deficit on the revenue side of the account.

In the event of the suggestion of the Chamber proving feasible, I shall have no objection to offer to its adoption. Notwithstanding the adverse opinions expressed by some experts, of the value of which I am scarcely competent to judge, scientific opinion generally seems to be favourable to the construction of the work, and, if not attended by the inconveniences apprehended in some quarters, it would undoubtedly effect a great improvement in the harbour, which in the words of Mr. Kyle, the Resident Engineer, cannot be looked on as finished so long as it is without a Northern arm. At the same time, I admit that Colombo has now as good a harbour, in spite of its waters being somewhat broken during a portion of the N.E. monsoon, as the circumstances of the Colony make it reasonable to require. In any case the non-liability, direct and indirect, of the general revenue for any deficit in the proposed security, and the non-liability of the Government for the estimate made by the Chamber of that security, should be distinctly and emphatically insisted on, and the loan to be raised on that security should be sufficiently large to cover all expenses that may be entailed by the construction of a Northern arm, including, for example, the cost of providing Colombo with an efficient system of drainage, should such provision be necessitated by the construction of a Northern arm.

I have, &c.,
ARTHUR GORDON.

Enclosure No. 1 in No. 1.

The Chairman, Ceylon Chamber of Commerce, to Governor the Hon. A. H. Gordon, G.C.M.G.

Colombo, 19th February, 1885.

Sir,—Pursuant to the request made to the deputation of the Chamber of Commerce that waited upon your Excellency on the 28th January, I have the honour to address you in connection with the Northern arm of the Colombo Breakwater.

The objections, or possibilities, advanced by your Excellency as reasons why the work should not be undertaken at the present moment, or only undertaken after further consideration, being of a conjectural character, it is not possible for the Chamber to meet them by actual demonstrations. I apprehend that all that the Chamber can do, and all that your Excellency expects, is that I shall, on behalf of the Chamber, furnish you with such reasons for the opinions expressed by the deputation and in the resolution of the Chamber dated 15th January, as shall satisfy your Excellency that the possibilities urged by you are not the probabilities that would justify withholding action at the present moment, other circumstances justifying it.

If I understand your Excellency correctly, it is,—

1st. To be assumed as an axiom that in no circumstances, either now or in the future, shall any risk attach to the general revenue of the Colony in respect of the Northern arm of the Colombo Breakwater.

2nd. It has to be shown that the danger of any of the following events occurring, and causing a diminution in the quantity of shipping frequenting the port, is not such as to bar action at the present time:

(*a*) Colombo ceasing to be a port of call;
(*b*) War breaking out;
(*c*) Coal depôts being established elsewhere—e. g., on an island in the Indian Ocean and at Sumatra.

I may add to these two probabilities advanced in conversation by the Hon. the Colonial Secretary, viz.:—

(*d*) The cutting of the Ramisseram canal, operating to divert steamers from Colombo as a port of call;
(*e*) The substitution of oil fuel for coal, and the consequent inutility of coaling ports.

As regards the principle laid down by your Excellency, that no risk, immediate or prospective, shall attach to the general revenue in connection with the work proposed,—

While conceding that the financial position of the Colony at the present time would not justify an addition to the charge upon the general revenue in connection with the Colombo Harbour, I am not prepared to admit that such a charge would be inadmissible if the finances of the Colony were in a more flourishing condition, or that the Colombo Harbour works should be viewed in a different light from that in which other large public works benefiting general, and not purely local interests, have been regarded.

The fact that in the past, when the Island finances were in a more flourishing condition, a portion of the sinking fund connected with the loans raised in respect of the Southern arm was charged upon the general revenue of the Colony, is evidence, if any be required, that the predecessors of your Excellency and the Colonial Legislature regarded the work under consideration as one of Colonial interest affecting the whole community, and as such one that could with fairness be assisted from the general revenues of the country. I shall however revert shortly to the principle here involved in a subsequent portion of this letter.

As regards the dangers indicated as such as may operate to diminish the harbour revenues I have to remark that as to—

(*a*) Colombo could only cease to be a port of call for coaling steamers if other ports offering greater advantages were established; and the geographical position of this port is such as to render it highly improbable that more advantageous coaling stations can be found.

On the outward voyage from England steamers of average size require about 400 tons of coal to carry them to Port Said, and a similar number of tons to bring them to Ceylon, the requisite quantity in each case being within the capacity of the coal bunkers.

The price of coals at Aden being 7*s*. a ton higher than at Port Said, Ceylon and Singapore being about equal, it is obvious that it is cheaper for a vessel running Eastward to coal at Port Said and Ceylon, rather than at Aden and Singapore, whether the steamers are bound into the Bay of Bengal or further eastward towards China, while on the return voyage it is again necessary to take in coals at Ceylon to carry on steamers to Port Said as the next coaling port.

The only island on which a coaling station could be established so as to compete with Colombo would be one of the Maldives or Lacadives, but the attempt has already been made and abandoned on Minicoy, there being no anchorage for large vessels. It is improbable that the attempt will be renewed, but should it be so there is evidence that the economy, if any, effected by taking in coal there instead of at Colombo would not be sufficient to compensate for the dangers of the approach to the islands in question or the passing by of an important port of call.

(*b*) In the event of war breaking out, there is no special reason why mercantile vessels should avoid this port if undefended, while, if defended, a war would probably result in an increase of the number of vessels coming into harbour. Between Suez and Singapore there is no neutral port that war vessels could run into, and unless it is assumed that a war would put a stop altogether to the shipping trade of the East, the result of hostilities would in all probability be rather advantageous to this port than otherwise.

(*c*) Has been answered in connection with objection (*a*).

(*d*) Any objection founded upon the cutting of the Ramisseram channel may, I think, be dismissed as untenable, for it is in the highest degree improbable that such a work will ever be undertaken. The advantages gained by vessels in making use of such a channel would be far too small to compensate for the risk incurred in approaching it, the canal dues that would have to be paid, and the passing by of an important trading port. Where canals divide continents, as in the case of the Suez and Panama canals, or where they bring ships and their cargoes close to large centres of industry, the works may be justified by the results achieved, but the saving of one day's steaming would not compensate an ocean-going steamer for an actual payment in canal dues, the dangers of approaching a channel through which a strong wind blows in both monsoons, and the passing of a port in which supplies can be obtained and cargo either discharged or engaged.

But, assuming that the advantages gained would be such as to cause steamers bound to or from the Bay of Bengal to deviate from the present route round Ceylon, the number of vessels that it would effect is so small as to hardly form a factor in the question under consideration.

Of the 926 steamers that came to the port in 1884, probably not 50 would have passed though the Ramisseram channel with a view to saving distance. The rest would all have touched at Colombo. The majority of the steamers calling at Colombo are from or to ports in the China seas and Australia, while of those coming from or going to the Bay of Bengal (during 12 months to 30th September, 1884, these numbered 362) two-thirds belong to the British India Company or the P. & O. Company, none of which would pass Colombo, even if the passage between Colombo

and India were an open sea. The danger of a serious diminution of shipping to be anticipated from this cause is therefore so small as to be hardly worthy of consideration.

If possibilities are to be considered, the railway proposed by the Duke of Buckingham to connect Ceylon and Southern India is possible, and in the event of its being constructed Colombo would assume greatly increased importance.

(*e*) If in the course of years mineral oils should be found to prove an efficient substitute for coal for steaming purposes, the quantity of fuel taken in at the different ports will be lessened, but depôts of fuel will still be necessary, and the contingency of the occurrence of this revolution in the heating medium is still too remote to make it an important factor in the question under consideration. Assuming, however, that coal should become unnecessary, this would only affect the question at issue in so far as steamers calling for fuel only are concerned. It will be seen from the figures given in a later portion of this letter, that by far the greater number of steamers not only take coal, but also cargo—a very small quantity, 50 or 100 tons—with the chance of passengers being sufficient inducement to them to call at this port to fill up.

The foregoing remarks have reference chiefly to Colombo as a coaling station; but it is most important also to consider whether the import and export trade of the Island is in the future likely to increase or decrease, for on it depends to a considerable extent the revenue derived from harbour and wharfage dues.

An analysis of the shipping export list for the twelve months ending 30th September last shows that—

Of 926 vessels that came into harbour during the above period, 791 brought cargo to, or carried cargo away from Colombo; 135 called for coaling purposes only. There is no accurate record of the number of shipping tons of cargo brought to the Island, nor of cargo carried from Ceylon coastwise, but of the articles of produce included in the Chamber of Commerce export list the number of shipping tons exported was 95,704 tons, and the average quantity of cargo taken by each vessel was 228 tons. Of these 95,704 tons, coffee accounted for 20,215 tons, cinchona accounted for 6,938 tons, tea accounted for 2,828 tons.

For the purposes of this question it may be assumed that the quantities of the various articles of export, other than the three abovenamed, will neither increase nor decrease to any material extent in coming years. But the quantity of coffee will almost certainly diminish, cinchona will probably do so, while tea, on the other hand, will in all probability largely and rapidly increase.

Assuming that coffee falls to half the quantity now shipped, and cinchona to the same extent, we have a decrease on present shipments of 13,591 tons. On the other hand, the increase in tea may be estimated as follows:—

75,000 acres now estimated to be planted and only in bearing to a small extent.
75,000 acres probable further planting during the next few years.

150,000 acres producing on an average 300 lbs. per acre=45,000,000 lbs.		
@ 800 lbs. to the shipping ton	56,250 tons.	
Deduct now shipped	2,828	
		53,422 tons

showing an increase of 39,831 tons.

This quantity, at an average of 228 tons per vessel, would represent an increase of 175 vessels calling here for export cargo, to be added to the 926 that came into port in the twelve months ending 30th September, 1884, making a total of 1,101 vessels.

The quantity of imports will to a great extent follow the increase in exports. Additional labour required for tea will involve increased imports of rice, &c., and it may fairly be assumed that exports and imports will run *pari passu*.

Reverting to the question of the liability that will attach to the general revenue if a loan be raised in the ordinary manner on the credit of the Colony, and reserving the question as to the principle involved, I may point out that it is, in the opinion of the Committee of the Chamber, not absolutely necessary that the loan should be raised on the guarantee of the general revenue. If the harbour of Colombo, with all its liabilities and revenue and rates fixed by Ordinance on the scale contemplated by the Chamber, were handed over to a Port Trust, full control over all operations carried on within the harbour and its precincts being given, it is believed that a loan could be raised upon the security of the harbour revenues without the guarantee of the Colony generally.

Working under one organization, economics could probably be effected that are not now possible, and the revenue increased, without a corresponding increase in the burden thrown upon shipping and merchandise.

To sum up, in conclusion, I may state it as the opinion of the mercantile community that the completion of the harbour should not be delayed; that the Northern arm is a work of necessity and not simply one of improvement; that sufficient harbour revenue can, without difficulty, be raised to meet the interest and sinking fund on the cost of the work; that there is every probability of the revenue increasing rather than decreasing in the future; and, finally, that if necessary, a loan could be raised on the security of the harbour revenues without creating a liability that would attach to the general revenue.

I have in this letter purposely made no reference to the engineering questions involved. These may with confidence be left to the consideration of Sir John Coode.

I have, &c.,

HENRY BOIS,
Chairman, Ceylon Chamber of Commerce.

Enclosure No. 2 in No. 1.

The Hon. the COLONIAL SECRETARY to the CHAIRMAN, Chamber of Commerce.

Colonial Secretary's Office,
Colombo, 18th March, 1885.

SIR,—I AM directed to acknowledge the receipt of your letter of 19th ultimo, and to state that the Chamber is correct in assuming it to be the Governor's opinion and desire that under no circumstances should any risk fall on the general revenue in connection with the construction of a Northern arm of the Colombo Breakwater.

The general revenue has already contributed to the construction of the Breakwater in a larger measure than the Chamber may possibly be aware. It has undertaken the provision of sinking fund on the £400,000 already borrowed on debentures, and on the further sum of £60,000 that remains to be borrowed; it has made over to the Harbour Fund the whole of the port dues which formerly left a considerable balance to the credit of general revenue after defraying the cost of the Master Attendant's establishment; and it has during the course of construction advanced funds from time to time from general balances without interest for the purposes of the work, the amount of interest on such advances exceeding Rs. 800,000. Altogether the contribution to the Breakwater from general revenue may safely be estimated at not less than Rs. 130,000 per annum. His Excellency will not say that, under all the circumstances of the case, this contribution is disproportionately large, but he is quite clear that, under no circumstances, should it be exceeded. If further liabilities are to be incurred by the Colony, they should be incurred in the construction of works that will be financially remunerative and increase production, foremost amongst which is the extension of the railway to Haputalé.

The Chamber has however suggested that the necessary loan may be raised on the sole security of the additional port and harbour dues that may safely be levied, and without entailing any liability or risk on the general revenue. The Governor is not without serious doubts whether such a course is practically feasible, and whether, whatever pains might be taken to guard against such an event, contributions from the general revenue would not become inevitable in the event of the suggested security proving insufficient. But as these doubts may be uncalled for, and as he entertains an unfeigned distrust of his own individual judgment respecting matters with which he is little conversant, he will at once place the proposal of the Chamber before the Imperial Government, in order that it may be definitely ascertained whether the funds for the construction of a Northern arm can be raised on the security suggested without practically involving the credit of the general revenue of the Colony.

As the Chamber was not in possession, at the date of your letter, of the returns of the revenue and expenditure of the Harbour Fund for the whole of 1884, it may be as well for me to state that the accounts for the year show a deficit of Rs. 21,574, and that it is estimated that an additional revenue of about Rs. 50,000 will have to be raised from additional port and harbour dues to balance the account in the current and subsequent years. It is questionable whether, when these additional dues have been imposed, further dues could be levied to meet interest and sinking fund on the cost of a Northern arm, without some risk of a diminution in the resort of shipping to the port.

I am, &c.,
GEO. T. M. O'BRIEN,
Acting Colonial Secretary.

No. 2.

Governor the Hon. A. H. GORDON, G.C.M.G., to the Right Hon. the EARL OF DERBY

The Pavilion, Kandy,
Ceylon, May 28, 1885.

No. 230.—*Miscellaneous.*

MY LORD,—I HAVE the honour, at the request of the Chamber of Commerce, Colombo, to forward for your Lordship's consideration the enclosed copy of three resolutions recently passed by the Chamber.

2. I have already learnt from your Lordship's despatch of 16th October last, that it is the intention of Her Majesty's Government to fortify Colombo at a cost of £15,820, which, if agreed to, is to be borne by the Colony, and that your Lordship will address me further on the subject when the proposed works are about to be commenced. On receiving that further communication I shall, with your Lordship's permission, reply in the terms thereof to the Chamber of Commerce on the subject of their first resolution.

3. As regards the second resolution, I beg leave to refer your Lordship to my despatch No. 137 of 20th March last, in which I have submitted that the general revenue of the Colony should not be subjected, directly or indirectly, to any liability on account of the construction of a Northern breakwater for the port of Colombo; and I desire to add now, that as interest and sinking fund on the loan of £45,820 that will have to be raised to meet the cost of the fortifications will have to be defrayed from port and harbour dues, the security on which the Chamber reckon as available for a loan to pay for constructing a Northern arm will be *pro tanto* reduced.

4. The third resolution is one with respect to which it is unnecessary for me to offer any lengthened observations. The question with which it deals is one primarily for the consideration of the Admiralty and War Office. I grant that commercially a dock at Colombo would be more useful and more profitable than one at Trincomalee, but I cannot conceive any combination of circumstances under which it would be otherwise than an act of folly to abandon the advantages which Nature has given us in the harbour of Trincomalee for a harbour less convenient, less

spacious, and less defensible, to be hereafter created by Art and at great expense at Colombo. Trincomalee must, I should say, always remain the most important point in a Military and Naval sense in Ceylon; and so long as this is so it will probably be considered that it is there that the graving dock will most suitably be placed.

I have, &c.,
ARTHUR GORDON.

No. 551 *Resolutions referred to.*

(I.) That, in view of the defenceless state of Colombo, the calling port for Eastern Mail steamers, as well as of numerous other vessels, both Naval and Mercantile, which call here to coal, and for water and orders, the Chamber of Commerce do urge the Local Government to move the Home authorities to take such measures as to them may seem expedient, in Imperial interests to provide proper protection for this port.

(II.) That, in the opinion of this Chamber, it is desirable that the Northern arm of the Breakwater should be constructed from Mutwal Point, so as to enclose a sufficient area to provide accommodation for the ships of Her Majesty's Navy, there being deep water within that area where Naval vessels of the largest size could be safely moored without interfering with the movements or the work of mail steamers or merchant vessels.

(III.) That, within the harbour so enclosed, would be found a much more favourable site than at Trincomalee for the construction of a graving dock, which would not only serve Imperial interests, but those of the mercantile marine as well; the rates levied on such vessels for accommodation, and the graving dock charges for repairs, being probably sufficient to pay interest and sinking fund on the whole amount expended on the graving dock, whereas at Trincomalee the prospects of a graving dock earning sufficient to cover its construction and upkeep are doubtful.

No. 3.

Colonel the Right Hon. F. STANLEY to Governor the Hon. A. H. GORDON, G.C.M.G.

Ceylon.—No. 151. Downing-street, 28th October, 1885.

SIR,—I HAVE had under my consideration your despatch No. 137 of the 20th of March last, transmitting a copy of correspondence with the Chamber of Commerce regarding a proposal to supplement the present Colombo Breakwater by the construction of a Northern arm.

2. I have also had before me a report by Sir John Coode on this subject, of which I enclose a copy for your consideration.

3. The soundness of Sir J. Coode's views as to the necessity of constructing the North arm, and as to the desirability of constructing it without delay, appears to be now generally admitted by those classes of the community who are best qualified to form an opinion on the subject. The Chamber of Commerce, which at one time entertained doubts as to the financial prospects of the proposed completion of the harbour, appears now to have recognized alike the urgent necessity for the work and the justification which the rapid increase in the business of the port affords for anticipating that the expenditure involved will give a remunerative return. It only remains therefore to consider whether the Ceylon Government, in the present state of its finances, can afford to undertake the work.

4. You appear to assume at the outset that this is not the case, but it does not seem to me that this assumption can be admitted until it has been shown that the work is not likely to prove remunerative in the early future. Even if it should appear that some measure of financial responsibility has to be accepted, it is open to argument whether, having incurred a large expenditure to give partial protection to shipping, it is wise to stop short of what commerce requires for its full development, and to refuse to provide that complete shelter which the shipping interest regards as necessary, but is prepared to pay for in one form or another.

5. I am advised that the money required for the North arm could not be raised on any reasonable terms unless the Colonial Government gave the same guarantee that it gave for the South-west arm; and I do not think that the question can be discussed with any useful and practical result on the basis laid down in the last paragraph of your despatch, or that many of the considerations to which you refer really affect the question. For instance, it does not appear to me that the harbour revenues can be considered liable for such expenditure as the cost of providing Colombo with a new system of drainage. The town of Colombo may before long require to be re-sewered, not on account of the Harbour Works, but because the new Waterworks will bring into the town a daily volume of over 20 gallons a head which will have to be removed. If so serious a mistake were to be committed as to allow the discharge of that amount of sewage into the harbour, whether it is to be wholly or only partially closed, I fail to see that that is any reason for charging the harbour revenues with any part of the cost of remedying the evil which would certainly result.

6. The suggestion that the funds for this work should be raised on the security of the harbour revenues, being of such doubtful realisation, it remains to consider whether the Colonial Government, in giving the same guarantee that it gave for the South-west arm would be taking upon itself a heavier liability than it is justified in assuming, and for this purpose it is necessary to form an estimate of the future revenues of the harbour and of the charges those revenues ought to bear.

7. As regards the revenue, I am disposed to take a more favourable view than you take of the probable increase in the future. It would have assisted me in dealing with this branch of the subject, if your despatch had furnished complete statistics of the business of the port during recent years. In the absence of these figures, I have had to rely upon those which it has been found possible to extract from various sources of public information, and these certainly appear to warrant the conclusion that the trade of Colombo Harbour has experienced a remarkable development during the last five years.

8. The importation of coal during that period appears to have been—

			Tons
1880	.	...	6,632
1881	...	...	15,149
1882	...	...	78,287
1883	.	...	140,427
1884			150,767

Bearing in mind that the average yearly total importation of coal into both Galle and Colombo during the five years preceding 1880 was barely 80,000 tons, these figures are certainly striking, and their effect is not weakened by an examination of the tonnage returns of Colombo during the same period, which are as follows:—

			Tonnage outwards and inwards
1880	..	..	1,146,319
1881			1,246,401
1882		..	1,699,419
1883	..	.	2,776,401
1884	...	...	2,895,172

9. The import of coal has thus increased twenty-five fold, and the total tonnage has more than doubled in the five years, and this large growth of business has not been due to an exceptional increase in the commerce of the Colony, but, on the contrary, it has occurred during a period of unexampled commercial difficulty and of severe depression of local trade. The increase has obviously been in port-of-call business, and has been due to the success of the Harbour Works in converting an open roadstead into a partially protected port. This appears to me to furnish the strongest possible argument in favour of completing the protection of that port.

10. I cannot doubt that the revenues of the port show a corresponding development, but the exact figures do not appear to have been sent home. I gather, however, that these were estimated to produce Rs. 295,000 in 1883, and that in 1884 they actually yielded Rs. 375,000.

11. All these figures support the contention that the revenues of the port have grown and are growing rapidly: and it is reasonable to assume that this growth will in some degree at least be maintained, unless it can be shown that in the future exceptional causes are likely to come into operation and to arrest the progress that is now in full course.

It appears to me that the Chamber of Commerce, in its memorial, has so completely answered the only reasons that, so far as I am aware, have been suggested in support of such an assumption, that it is hardly necessary for me to say more than that I concur with the Chamber in thinking that the future of Colombo Harbour is secure, if only its reputation as a safe and convenient port of call is not allowed to suffer.

12. In your reply to the Chamber you lay stress on the alleged deficit in the Harbour Account for 1884, supported by a statement of receipts and expenditure for that year. The expenditure side of this account opens with a charge of Rs. 345,303 for interest on the Breakwater loans: that is to say, the harbour is charged with the interest of the whole of the loans then issued (i. e., on within £60,000 of the total capital expenditure), and in addition with the instalment repaid in the year to the Public Works Loan Commissioners.

13. The following are the details making up this item of charge:—

Interest on Debenture loans	...	...	...	. . Rs. 204,000
Interest on Public Works Loan Commissioners' advances			...	.. 76,996
Interest on repayment of Public Works Loan Commissioners' advances			...	71,956
				Rs. 352,952

This total differs from that given in your statement by Rs. 7,649, but at the time the statement was made the means of exactly arriving at the charge for the year 1884 probably had not reached the Colony.

14. Clearly the harbour ought not to be charged with any portion of the repayment of the Public Works Loan Commissioners' advances. It was admitted at the outset, that the general revenue ought to bear a part of the cost of these works, and it was settled that its contribution towards this object should consist in defraying the sinking fund charges arising from borrowing the necessary capital. Now the instalments by which the advances have to be repaid are as essentially sinking fund charges as the contributions to the sinking funds of the debenture loans, and are in my opinion chargeable to general revenue on exactly the same principle as those contributions.

15. Even if it were decided that the Harbour Works ought to bear this portion of the sinking fund charges, it is clearly contrary to practice and principle that such charges should be imposed while the work is still under construction. It is an invariable rule to allow some time to elapse after the completion of a public work of this kind before calling upon it to commence the repayment of its capital, the object of course being to allow time for a fair development of its earning powers.

16. On this basis the Harbour Account for 1884, when relieved of the sinking fund charges, shows a surplus of Rs. 42,734 instead of a deficit of Rs. 21,574.

17. I request that in bringing this question again before the Legislative Council you will invite their special attention to the indications of rapid growth in the trade of the port to which I have referred, as this, the essential element in the question, does not appear up to the present to have received the consideration it merits. I request you to furnish returns of the harbour revenues under all heads for the last five years, and to consider carefully the question of the extent to which the rate of increase of past years is likely to be maintained, and of the degree in which it would be possible to increase the harbour dues or otherwise supplement the existing sources of revenue.

18. With this information before me I should be better able to judge of the extent of the liabilities which the construction of the North arm would impose upon the Colony, and of the time which would elapse before the earnings of the harbour would be sufficient to relieve the general revenue of that liability.

19. You lay down in your reply to the Chamber of Commerce the following rule: "If further liabilities are to be incurred, they should be incurred in the construction of works that will be financially remunerative and increase production, foremost amongst which is the extension of the Railway to Haputalé."

I am addressing you in a separate despatch on the subject of the Haputalé extension, and all that I need now say is that a public work, such as the harbour, of which the partial design was still incomplete in 1884, but which, nevertheless, was able to cover all its expenses, to pay the interest on its capital, and to contribute so large a sum as Rs. 42,700 to the relief of general revenue, has at least as good a claim as the proposed railway extension to be considered remunerative. It is also obvious that a secure and commodious harbour is a boon to the export trade of the Colony, and therefore tends to increase production; so that on both the grounds laid down by you it appears that the completion of the harbour is a public work that deserves careful consideration.

20. The following considerations also should not be lost sight of in dealing with this question, although it will not now be possible, owing to the dispersal of the staff and the sale of a portion of the plant to take credit for the whole of the saving of £40,000 which Sir J. Coode estimated would be made if the works were proceeded with without a break, yet some loss would be incurred by postponing the North arm, more specially in the deterioration of the floating plant. This question of the deterioration of plant has more importance in this than in ordinary cases, because in marine works such as the Colombo Harbour the cost of the plant bears an unusually large proportion to that of the whole work. You are doubtless aware that no less than £60,000 was spent under this head before a single block of the South-west arm was placed.

21. Any postponement of the completion of the Colombo Harbour further involves the starving of the Port revenues in the meantime, for partial shelter and restricted facilities for loading and unloading will not help Colombo to compete with rival ports.

22. It appears moreover to necessitate the postponement of the construction of a graving dock at Colombo; since, until the North arm is built, such a dock could not be safely entered at all seasons. Where a demand for a graving dock exists—and I understand this to be the case at Colombo—it has been found to be a most remunerative adjunct to a harbour. At Table Bay the graving dock pays over 5 per cent. on a capital outlay of £158,000, and I see by the last report of the Harbour Board of that port that, while every other source of revenue has given a decreased yield, the graving dock receipts show a large increase on the past year. If this result has been obtained at a port, of which the general business has of late years shown an unfortunate contraction, returns at least as favourable may reasonably be expected at Colombo, where the port business is rapidly expanding. Moreover, at Colombo the capital required for the construction of a similar dock would be considerably less, especially if the Board of Admiralty were to contribute towards it, and the prospects of a remunerative return proportionately greater.

23. In thus drawing your attention to the necessity for reconsidering the question of the completion of the Colombo Harbour by the construction of the North arm, I am anxious not to be understood to admit that Ceylon is at this moment in a position to incur any considerable expenditure on public works. In my despatch on the Haputalé railway extension, to which I have already referred, I have pointed out the necessity of setting at rest any doubt which may exist on this point. When this has been done, and if the result should make it appear that some expenditure of the kind may properly be incurred, the relative claims of the Harbour and of the Railway Extension will have to be weighed solely on their merits as remunerative public works.

I have, &c.,

FRED. STANLEY.

Enclosure in No. 3.

Sir JOHN COODE to the CROWN AGENTS for the Colonies.

Engineer's Office, Harbour Works,
Colombo, 29th April, 1885.

Colombo Harbour.

GENTLEMEN,—IN accordance with the intimation expressed to you before leaving England about four weeks since, I have gladly embraced the opportunity afforded to me in passing Ceylon on my way to Australia, &c., of making a detailed examination of the Breakwater and works therewith connected, that have just now been completed at this port. It may be well however, before stating the result of this examination, to give some particulars of these works, together with the order and date of construction, and the cost thereof.

Order of Procedure.—Upon the decision of the Ceylon Government to proceed with the Colombo Harbour Works on the basis of my design of May, 1872, Mr. John Kyle was appointed as Resident Engineer in May, 1873, and in the following month proceeded to the Colony with full instructions for procuring an accurate survey of the bay on a working scale, with soundings, borings, &c., and for obtaining such technical information as was necessary to enable me so to arrange the details of construction as to take the greatest possible advantage of local circumstances and conditions in respect of the materials to be employed, with special regard to efficiency economy of cost, and facility of execution.

Mr. Kyle was authorized at the same time to arrange for the construction of the branch railways to connect the quarries with the work-yard, and for the levelling of the yard itself, in order that these works might be proceeded with whilst he returned to England to place before me the information he had obtained. Having fulfilled his mission to my entire satisfaction in every respect, Mr. Kyle returned to England in October, 1873. I thereupon had the working drawings prepared, and in the early part of the following May he went back to Colombo, with an Assistant, Mr. Charles Good, and such Foremen as were at that time required; the works were then commenced, and have since been carried on without interruption. The first block was laid by His Royal Highness the Prince of Wales on the 8th December, 1885.

Works Executed.

Root-work. Briefly described, the Harbour Works executed up to this time are as follows:—The innermost or shore portion consists of an area of about 4½ acres reclaimed from the sea (known as the "root-work") having a substantial wall of concrete blocks on the sea front, and a wharf wall, 990 feet long, founded on concrete cylinders on the harbour face. This wharf has a mean depth alongside of 14 feet at low water, and is capable of accommodating the largest class of native coasting craft.

The roof-work extends 665 feet into the sea, measuring from the starting point on the Battenberg Bastion.

General Dimensions of Breakwater.—The Breakwater proper then commences in a depth of 16 feet at low-water, and extends N. by E. 3,150 feet thence, curving around in the direction of N.E. by N. for a length of 1,062 feet, thus making the length of the Breakwater proper 4,212 feet; the entire length of root and Breakwater, including the head, is therefore 4,877 feet, or rather more than seven-eighths of a statute mile. The circular head is 62 feet diameter, and is founded in 40 feet of water at low-water of lowest tides.

On this head there is a circular lighthouse tower, from which there is exhibited between sunset and sunrise a fixed "second order" dioptric red light; the focal plane being 57 feet above mean sea level, and the light visible from 9 to 10 miles.

To enable the lightkeepers to land and embark during the S.W. monsoon, a jetty has been constructed; it runs in a S.E direction, and is 125 feet long measured from the Breakwater head; the width of this jetty at the cope level is 20 feet.

Character of construction of Breakwater.—From the point of junction with the root-work the Breakwater is composed of a mound of granite rubble stone, raised by convict labour from quarries opened specially for the purpose at Mahara, 12 miles from the work-yard at Colombo. This rubble mound, after having been allowed at least twelve months to consolidate, was levelled off by means of helmet divers to depths varying from 13 feet below low-water at the landward end, to 23 feet 9 inches below low-water at the Breakwater head.

Upon the mound, levelled as just described, concrete blocks, from 16 to 32 tons each, were founded by means of a powerful overhanging steam crane. These blocks were laid with sloping bond, and extended up to 8 feet above low water. Upon them a capping of concrete in mass has been laid throughout the entire length of the Breakwater. This capping, which is 'cambered' on the top, brings the cope to 11 feet 6 inches, and the centre to 12 feet above low-water.

The circular head of the Breakwater has been formed of concrete in mass in a wrought iron caisson under low-water, and of concrete blocks above this level. The lowermost portion of the light tower has been formed of concrete in mass; the body of the tower generally, and the landing jetty above the rubble base, have been constructed of concrete blocks.

The total water area enclosed by the Breakwater and sheltered from the South-West monsoon is rather more than 500 acres; broadly speaking, one-half of this area will have depths varying from 26 feet to 40 feet at low-water of lowest tides.

Dredging.—The dredging operations have extended over an area of about 62 acres, and 25 acres more remain to be dredged; these further operations may be expected to be completed within about 12 months from the present time.

Reclamation.—Along the foreshore of the southern and south-eastern portions of the harbour, and for a length of nearly half a mile, an area of about 20 acres has been reclaimed by means of materials dredged as above described; of this area, 18 acres were formed for the express purpose of a coal depôt, and there have been, I understand, as much as 80,000 tons of coal stored thereon at one time.

Harbour Moorings.—Twenty sets of double screw moorings have been laid down within the deep water portion of the harbour; these moorings are suited for vessels of the largest class drawing 25 feet of water and upwards. Four more sets of moorings will be laid down as the dredging proceeds, and as may be required.

Dates of execution.—The Breakwater proper was commenced in January, 1877, and was so far completed that the light was exhibited from the tower at the head on the 27th January last. The concrete capping, which was necessarily commenced at the outer end, was begun on 3rd November, 1884, and I had the great satisfaction of witnessing the putting in of the final block or section of this capping on the day after my arrival in Colombo last week, viz., the 22nd

instant. For the more complete illustration of the state of the Breakwater at its various stages I send herewith a selection of such photographic views (in triplicate) as I have found available.

Expenditure.—The amount expended up to 31st ultimo is Rs. 8,125,438, which at 1*s.* 8*d.* per rupee is equivalent to £677,120. Adding to this Rs. 337,046, or £28,087, the amount necessary to complete the remainder of the dredging, the bag work on the seam beam of the Breakwater, and the moorings, the gross total will be Rs. 8,462,484, or £705,207. Particulars of this last amount will be found in the summary of gross total expenditure appended hereto.

It should be explained that in this total expenditure of £705,207 no credit is taken for the present value of the special plant for blockmaking and setting, &c., neither has any credit been given for the value of the railways from the Mahara quarries to the Main Line (1 mile 34 chains) and from the Maradána Junction to the work-yard (1 mile 32 chains), nor for two Main Line locomotives with break vans, nor for the steamer "Active," all of which have been taken over by Government and are yielding revenue to the Colony.* Moreover the expenditure above named includes a sum of nearly £3,000 paid out of Breakwater funds for the provision of the "first order" dioptric flashing "coast" light which is now exhibited from the clock-tower in Colombo Fort. This light is highly spoken of by Commanders of vessels; it is directly visible for 20 miles from the deck of a large ship, and the glow is often seen when the light itself is below the horizon.

Results of my inspection.—I have now the gratification of reporting that the result of my inspection of the Harbour Works last week has been in every respect most satisfactory. The Breakwater, with its circular head, and the lighthouse thereon, the lightkeeper's jetty, the depôt or "root-work," sea-wall, and the wharf wall on the harbour face of the same for the use of native coasting craft, have all been carried out in accordance with the designs which have passed through your hands, and in a manner and within a period which reflect the highest credit on Mr. Kyle's executive skill and energy.

There can be no doubt that the result, from a financial point of view, has been in no slight degree due to the provision of the complete and powerful "special plant" which, on my recommendation, you were pleased to sanction at the outset. It was felt at the time that the cost of it was large, but the circumstances of the case appeared to me to be such as not only to warrant, but to call for the expenditure. This special plant has afforded the means of taking the fullest possible advantage of the comparatively short working seasons at Colombo, and thus, under the energetic and judicious management of Mr. Kyle, aided by an efficient staff, the result has been such that the original outlay upon it has been most amply justified by experience.

Mr. Kyle having left Colombo and the service of the Ceylon Government, the completion of the dredgings to the extent authorized, and of the bag work on the sea brim, when and so far as the same may be rendered desirable by the action of the sea during the now forthcoming and future monsoons, will be carried out under the charge of Mr. Kyle, junior, who will, I doubt not, satisfactorily fulfil the duties required of him.

Test soundings.—I am glad to be able to report that the last periodical series of soundings within the harbour, completed about two months since, shows that there has been no silting in any part.

Extension of Reclamation.—I ought here to say that it is, in my view, very desirable that the materials remaining to be dredged from the harbour within the area sanctioned should be utilized in extending the shore reclamation from opposite the end of "First Cross-street," where it now terminates, at least as far to the northward as the termination of "Seashore-street, opposite St. Thomas' church, that being the point indicated for the northern end of this reclamation in the plans which accompanied my report of 30th September, 1878. So far as I can learn, the area so reclaimed would be occupied for commercial purposes almost, if not quite, as rapidly as it might be formed, and at rents that would be remunerative to the Government.

Benefits to Trade.—The benefits accruing to trade generally from the new harbour at Colombo are admitted on all hands. The direct saving in the cost of the transport of goods to and from the vessels is very great, not to speak of the avoidance of damage, loss overboard, which occurred from time to time while Colombo was an open roadstead. The saving of expense in the landing and shipping of coals, at present 150,000 tons per annum, is also very considerable.

Moreover, the detention of vessels, owing to the frequent impossibility of working during the prevalence of the S.W. monsoon, was attended with serious loss and inconvenience. This is altogether removed; the only delay that now arises is occasionally, during the N.E. monsoon, when the sea within the harbour is at times so great as to interrupt the traffic.

The Table given below illustrates the remarkable increase in trade since 1882, when the Breakwater was far enough advanced to afford material protection to shipping:—

Year.	Tonnage inwards and outwards.			Relative per-centages.	
	Galle.	Colombo.	Total.	Galle.	Colombo.
1879 ...	1,116,888	1,205,940	2,322,828	48·1	51·9
1880 ...	1,055,603	1,146,369	2,201,972	47 9	52·1
1881 ...	1,033,936	1,246,401	2,280,337	45·3	54·7
1882 ...	684,538	1,699,419	2,383,957	28·7	71·3
1883 ...	444,443	2,776,401	3,220,844	13·8	86·2
1884 ...	413,930	2,895,172	3,309,102	12·5	87·5

* The present value of the railway, locomotives, break vans, and the steamer "Active" may be taken at not less than £27,000.

The sudden and remarkable increase in the total tonnage since 1882 can scarcely be attributed to an increase in the general trade of this part of the world, and certainly not in that of Ceylon itself. The opinion which seems to prevail among the mercantile community of Colombo, to the effect that the new harbour has attracted an amount of shipping which but for its existence would not have resorted to Ceylon, seems to be warranted by facts.

It is not an uncommon occurrence to see from 12 to 18 large vessels, varying in size from say 1,800 to 5,000 tons, in Colombo harbour at one and the same time; the accommodation at Galle for such a number of vessels of the sizes named would be simply impossible.

Future Works.

Northern Arm.—With regard to the future, I will only here place upon record my conviction of the urgent necessity for a sheltering work on the north side of the harbour.

Objections have been urged against a Northern arm, that it would cause silting, and that such an amount of sea disturbance would be admitted through the proposed entrance as would be prejudicial to the shipping and craft in the harbour. These objections are, in my opinion, altogether groundless.

It is quite certain that in the absence of a Northern arm any dry dock that might be constructed within the harbour could not be used without such frequent interruptions during the North-East monsoon as would be very inconvenient and detrimental.

Such interruptions would cause occasional loss of revenue by reason of the Masters of vessels refusing to enter the dock during that monsoon in consequence of their being subject to the risk of detention in getting out when their repairs were effected.

Further, the jetties which I have recommended to be constructed on the south shore of the harbour could not be used during the North-East monsoon without such frequent interruptions as would be prejudicial to the interests of the port. I am satisfied that the requirements of trade will eventually call for the erection of jetties, and that the owners of vessels will be willing to pay such rates for their use as will remunerate the Government of Ceylon for the outlay upon them.

I cannot close this report without expressing my thanks to the Hon. G. W. Paterson, Principal Collector of Customs, and Mr. J. J. Grinlinton, Manager of the Wharf and Warehouse Company, for statistics of the Trade of Ceylon which they have kindly supplied at my request.

I have, &c,

JOHN COODE.

Colombo Harbour Works.

Summary of Gross Total Expenditure on the S. W. Breakwater and Adjunct Works, including a sum of £28,087, being the estimated cost of completing the Dredging, Bag Work, and further Sets of Moorings, as explained in the foregoing Report:—

Description of Work.	Cost. £.	s.	d.
Root Works, including Depôt Wharf	61,059	17	11
Breakwater, including circular Head, Lighthouse, Jetty, &c....	430,999	10	1
Harbour Dredging	53,191	5	9
Foreshore Reclamation	40,571	13	10
Harbour Moorings and leading Lights	7,814	14	11
Administration	48,996	13	5
General Workshop Expenditure	47,921	4	9
Fort Light, including alteration of Tower	2,973	4	5
Extraordinary Expenditure	4,184	4	5
Stores not used up	3,595	4	4
Loan Charges, &c.	3,899	6	2
Total—	£705,207	0	0

JOHN COODE.

Colombo, 29th April, 1885.

No. 4.

The Right Hon. Colonel Stanley to Governor the Hon. A. H. Gordon, G.C.M.G.

Ceylon.—No. 155. Downing-street, 28th October, 1885.

Sir,—I have had under my consideration your despatch No. 230 of the 28th of May last, forwarding three resolutions of the Colombo Chamber of Commerce relative to the defences of Colombo Harbour, the construction of the North arm of the Breakwater, and the construction of a graving dock within the harbour so enclosed.

2. In regard to the defences of Colombo, I have to refer you to my despatch No. 134 of the 15th instant; and the question of completing the harbour by the construction of the North arm is dealt with in my despatch No. 151 of this day's date.

3. The proposal to construct a graving dock at Colombo appears to depend upon the decision which will hereafter be taken upon the Northern arm question.

4. I have caused the resolutions of the Chamber of Commerce to be communicated to the Admiralty, as that Department is concerned in the proposal for a graving dock.

I have, &c.,

FRED. STANLEY.

XI.—1885.

RAILWAY EXTENSION TO UVA.

DESPATCHES

RELATING TO THE

HAPUTALE—NANU-OYA SECTION.

(In continuation of No. I. of 1884.)

Ordered by His Excellency the Governor to be Printed.

Colombo:
GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1885.

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RAILWAY EXTENSION TO UVA.

No. 1.

Governor Sir J. R. LONGDEN, K.C.M.G., to the Right Hon. the EARL OF KIMBERLEY.

Queen's House,
Colombo, 11th November, 1882.

No. 484.—*Miscellaneous.*

MY LORD,—I HAVE the honour to forward for the consideration of the Consulting Engineer the enclosed letter from the Resident Engineer of the Nánu-oya Railway, submitting some remarks on the plans of the Haputalé-Nánu-oya section of the railway, which should be maturely weighed before the extension is undertaken.

I have, &c.,

J. R. LONGDEN.

Enclosure.

The CHIEF RESIDENT ENGINEER, Railway Extension, to the Hon. the COLONIAL SECRETARY.

No. 199. Dimbula, 4th November, 1882.

Railway Extension to Haputalé.

SIR,—I HAVE the honour to express the hope that in submitting for the consideration of His Excellency the following remarks upon the extension of the railway to Haputalé, I may not be deemed to be either officious or travelling beyond my proper province.

2. Upon examination of the section of the first 6½ miles of that railway beyond Nánu-oya, it appeared that there was, at many points, a large amount of side cutting, or, in other words, that the embankments as compared with the cuttings were too heavy; and as a reduction in the embankments, if it were possible, would entail a corresponding reduction in the quantities of work in the bridges and culverts beneath them, I examined the plan, section, and cross sections together in order to ascertain whether it was reasonable to expect that any reduction in the cost of the work could be effected.

3. This examination I continued up to a point 1 mile 12 chains from Nánu-oya, with the following results, namely, that by altering the curves in the manner shown by the *blue* line on the accompanying tracing, the section would be altered approximately as shown by the red shaded line, and thus that in this distance of 1 mile and 12 chains a saving of, approximately, Rs. 34,211·60 could be effected. Assuming similar saving as possible to be effected throughout the whole of this section, which is 6·58 miles in length, a total saving of Rs. 195,749·85 upon the estimate forwarded with my letter No. 66 of 16th June, 1880, would be obtained.

4. My other duties have not permitted me to continue this examination beyond this point, nor would a similar examination, if continued, give a result which could be considered trustworthy, for the alteration in the curves entails an alteration in the length of the line, and when following, as in the present case, a uniform gradient, this alteration in length necessarily alters the levels also.

5. I do not anticipate that an equal saving per mile throughout the first section could be effected, but consider it not unreasonable to assume that by re-staking this portion of the railway a saving of half the amount, or say Rs. 100,000 might be obtained, not taking into account any contingent saving which the alteration in the height of the railway at 6·58 miles might enable us to effect in the line between that point and Ambawella station, where the works are by the present line excessively heavy.

6. A further saving which, I think, might be estimated at not less than Rs. 15,000 could be effected by somewhat reducing the station accommodation at Ambawella and Idulgashéna, and by utilizing as much as possible the buildings necessary to be erected for the Engineers and others employed in constructing the railway as residences for the Station Masters and others engaged in working it.

7. If the Government should decide upon constructing this railway departmentally, which at the present time, and on account of the exceptional character of the country through which the railway passes, I believe would be the most economical and satisfactory method in this particular instance to adopt, I do not think I am too sanguine in anticipating that, at any rate, a portion of the profit which a contractor would hope to make might be saved to Government; this I estimate at the moderate figure of 10 per cent. on the value of the work executed, and if

this expectation be realized the cost of the actual construction works of the railway would be as follows:—

	Rs.		Rs.	cts.
Estimated cost of construction as given in the appendix to my letter No. 66 of 16th June, 1880 ...	—	...	5,899,789	31
Deduct estimated saving on section No. 1 (see para. 5 of this letter)	100,000			
Estimated saving upon Stations, &c. (see para. 6 of this letter)	15,000			
			115,000	0
			5,784,789	31
Deduct 10 per cent on this amount, being the saving estimated to be effected by executing the work departmentally	—	...	578,478	31
Total estimated cost of construction, if the line be made departmentally	—	...	5,206,311	0

8. Should the Government desire it, I would draw up and submit, for the consideration of His Excellency and the Consulting Engineer, a memorandum stating the reasons for which I consider, in this particular instance, the works could be more economically carried on by the departmental than by the contract system, as well as giving some details as to the constitution and duties of the staff which, in my opinion, it would be necessary to employ were the departmental system adopted.

I have, &c.,
F. J. WARING,
Chief Resident Engineer.

No. 2.

The Hon. the Colonial Secretary to the Chief Resident Engineer, Nánu-oya Railway.

No. 132. Colonial Secretary's Office,
Colombo, 18th November, 1882.

Sir, I am directed to acknowledge the receipt of your letter No. 199 of the 4th instant, and to acquaint you that a copy thereof has been forwarded for the information of the Consulting Engineer through the Secretary of State.

I am, &c.,
J. A. SWETTENHAM,
for Colonial Secretary.

No. 3.

The Right Hon. the Earl of Kimberley to Governor Sir J. R. Longden, K.C.M.G.

Ceylon.—No. 426. Downing-street, 13th December, 1882.

Sir,—I have the honour to acknowledge the receipt of your despatch No. 484 of the 11th ultimo, forwarding a copy of a letter from the Resident Engineer of the Nánu-oya line, which comments on the plans of the Haputalé extension, and suggests the possibility of cheapening the work.

Mr. Waring's report will be sent to Mr. Gregory for his consideration.

You will however have learnt from my despatch of the 16th ultimo, No. 395, that the construction of this section must for a while be postponed.

I have, &c.,
KIMBERLEY.

No. 4.

Governor the Hon. A. H. Gordon, G.C.M.G., to the Right Hon. the Earl of Derby.

No. 265.—*Miscellaneous.* Queen's House, Colombo,
Ceylon, 19th June, 1885.

My Lord,—I have the honour to enclose, for your Lordship's information, a report from the Chief Resident Engineer of the Nánu-oya Railway* upon the proposed extension of the railway from Nánu-oya to Haputalé Pass, accompanied by a revised estimate of the probable cost of that work, prepared by the same gentleman.

2. This report is a very full and clear one, and merits your Lordship's attentive perusal and consideration.

3. Mr. Waring now estimates the cost of the work at £502,700, but considers that very considerable reductions on this sum may, under certain circumstances, be effected, although he does not think it prudent to assume that such will be the case.

4. I also enclose returns† of produce actually sent during the past three years from Haputalé, Badulla, and Madulsíma to Colombo *viâ* Ratnapura, with returns of the rates of cart hire paid for each estate, and a paper by the General Manager of the Railway,‡ giving an estimate

* Enclosure No. 3. † Confidential. ‡ Enclosure No. 2.

of the financial result of the extension on various bases suggested to him by Mr. G. O'Brien, late Acting Colonial Secretary, as well as certain other particulars.

Inquiries are now being carried on with a view of ascertaining the proportion which the cart traffic to Colombo by way of Ratnapura bears to that which is conveyed by the Nuwara Eliya route. The result of these inquiries cannot affect the amount of estate produce shown to have been sent *viâ* Ratnapura, but it may establish the fact that some traffic from other sources will be secured to the railway when the proposed extension is completed.

5. It was essential to obtain the detailed particulars for the information of this Government and of Your Lordship, but it is my duty to inform Your Lordship that many proprietors and superintendents of estates object to the publication of these returns. This objection is quite consistent with their having been made in good faith,—is easily intelligible,—and must of course be respected. I trust, therefore, that Your Lordship will consider the detailed returns enclosed as strictly confidential, and will take care that they are not disclosed.

6. The average rates of cartage downwards to Colombo for each district have been obtained by the process of multiplying the amount of produce by the rate on each estate, and dividing the total of products by the number of tons of produce carried from the district.

7. No similar calculation has been made as to the traffic carried up-country, since for this traffic the carters will obviously be unable to compete with the railway. The contrary temporary experience on the Náwalapitiya-Hatton extension supplies no parallel, and affords no argument against this contention.

8. No account has been taken of the increase of traffic that will arise from improvement in coffee crop when manured, nor of the general expansion and development of the resources of the district which the railway may fairly be expected to effect; neither has passenger traffic been considered, nor yet the tea traffic which will undoubtedly be very large. I have dealt simply with existing estate produce traffic for three years past, and the up traffic which a considerable experience has shown to correspond thereto. On this basis, and adopting various rates for the down traffic the General Manager shows returns of nett profit varying from 7¾ per cent. to 8·10 per cent. I see no reason to doubt this result; but even if it were certain that no more than 6 per cent. would in the first instance be obtained, I should still be of opinion that the extension of the railway to Haputalé should be at once undertaken.

9. The General Manager's report on the financial results of the extension already effected from Náwalapitiya to Hatton and to Taláwakele (which shows that while there is a small profit over the working expenses, the receipts do not amount to one-third of what is required if the payments for interest and sinking fund and the depreciation of stock be taken into account) is one of the papers enclosed in this despatch.

It carries conviction to my mind that the portion of the railway between Hatton and Nánu-oya now open cannot prove a success, and that having now been completed to Nánu-oya, it must necessarily be pushed on to Haputalé if it is to prove a remunerative enterprise. Whether it should ever have been extended to Nánu-oya at all, is another question, but one which it is now useless to discuss. We must accept the fact that the railway has reached that point, and if any advantage is to be derived from the costly work already accomplished, it seems to me demonstrable that its further extension to Uva must be at once undertaken. It is hardly, if ever, a paying speculation to extend a railway with the sole object and result of catching at a higher point the same traffic which is already secured to the line. Matters will doubtless to some extent improve here when the carters have exhausted their present stock of bullocks, for it will not pay them to buy bullocks at the present rates of cart hire, though it may answer their purpose to use up their present stock in under-bidding the railway. But making every allowance for this, the prospect is in any case sufficiently bad to show how necessary it is that the Government should secure to itself the profit which is to be commanded by the extension of the line to Haputalé. That a profit will attend such an extension is, I think, clearly established, for the Manager's estimate is, for the reasons I have given, but a minimum estimate, and one perfectly secure of realization: it has been purposely so framed. As it is out of the question for the carters to compete with the railway in the up traffic to Haputalé, the planters will be forced to send their produce down by the railway. It will clearly pay them to do so; the greater speed saving their coffee from deterioration *en route*, and the greater security afforded by the railway protecting it from depredation. But even if this were not the case, they would be equally compelled to resort to the railway, for no carters could afford to allow their carts to ply in one direction empty; and it has already been shown that as to the employment of the railway for the up traffic of the Uva District there can be no possible question.

10. As the whole of the traffic but an inconsiderable fraction will go from and to Haputalé, I have made no allowance for the difference of rates at Ambawella and Idulgashéna, the proposed stations intermediate between that place and Nánu-oya, the difference being infinitesimal. The traffic anticipated is all new traffic, and the undertaking must therefore be regarded (and I have so regarded it) from the point of view of the results to be obtained by carrying the traffic to and from Colombo. The Railway Commission anticipated, I presume, that this traffic would be secured at Nánu-oya, if the extension ended there, and calculated the results on the further extension alone from Nánu-oya to Haputalé, and on the extension from Náwalapitiya to Haputalé. These questions have no longer any practical bearing, and it is unnecessary to enter into them.

11. My Executive Council unanimously concur with me in the opinion that the work should be undertaken without delay, and in requesting the authority of Her Majesty's Government to raise the loan which will be required to effect it. They have also expressed it as their wish that I should make a strong appeal to Your Lordship to endeavour to secure the utmost expedition in bringing the necessary preliminaries to a speedy termination.

12. I would venture to call Your Lordship's special attention to paragraphs 73-81 of Mr. Waring's report, and at the same time to express my own decided conviction that the works contemplated should be undertaken directly by Government in the same manner in which those of the Colombo Breakwater have been so successfully carried out. The work itself is of so peculiar a nature that a good contractor, as is pointed out by Mr. Waring, would probably insist on so large a margin, to meet every possible contingency, as to render his work extremely costly, while the employment of an inferior contractor, such as some of whom the Colony has unfortunately had experience, would in the long run prove only a source of expense, trouble, and disappointment.

13. I have called on Mr. Waring to prepare the scheme referred to in the 79th paragraph of his report, and when received it will be at once forwarded to Your Lordship for consideration.

14. I have not made any reference to the suggestion that the projected extension should be of narrower gauge than those portions of the line already constructed. Had it been possible to effect such an alteration at Pérádeniya or Gampola, the question would have been well worthy of consideration, but to change the gauge of the line within thirty miles of its termination would be an act of folly, and the only practical effect of now entering on such a discussion would too probably be the postponement to an indefinite date of the commencement of all active operations.

15. Nor, in urging on Your Lordship the expediency of sanctioning without delay the extension of the existing line, do I say anything of the claims of the Province of Uva to share in the benefits of railway communication. Those claims are strong, and I shall see them satisfied with no small degree of pleasure; but they would not in themselves have justified an undertaking of this nature, and I prefer to base my advocacy of it solely on the financial results with which I believe it will be attended

16. For the same reason I forbear to urge the political considerations which would dispose me to commence and carry on this work, even if I were less satisfied with the prospects of remuneration which it opens.

17. But I think it right to add at once, although I shall reserve for other despatches a more detailed development of the subject, that, in my opinion, a partial extension of the Sea Coast line southwards should be carried on *pari passu* with that to Haputalé, and I should propose to include in the loan to be raised a sum of £60,000, being the amount of the estimate for the extension of the southern line from Kalutara to Bentota. On that question I however propose to address Your Lordship in a separate despatch.

I have, &c.,

ARTHUR GORDON.

Enclosure No. 1 in No. 4.

RETURNS OF PRODUCE actually sent during the past Three Years from Haputalé, Badulla, and Madulsíma, to Colombo *viâ* Ratnapura, with Returns of the Rates of Cart Hire paid for each Estate.

[*Confidential.*]

Enclosure No. 2 in No. 4.

RAILWAY RATES based on the existing Colombo and Nánu-oya Extension Rates.

Down Traffic.

Coffee, per ton, Rs. 33 30.

Up Traffic.

Rice and 2nd class goods generally, per ton	...	Rs. 41·90
Manure and 3rd class " "	...	" 24·35

Cart Rates.—Down.

		Per Bushel.	Per Ton.
Haputale	average	cts. 53	Rs. 32·18
	minimum	" 45	" 27· 0
Badulla	average	" 52	" 31·18
	minimum	" 45	" 27· 0
Madulsíma	average	" 67	" 40·31
	minimum	" 55	" 33· 0

Traffic.—Down Traffic.

	Tons
Haputale	3,714
Badulla	2,246
Madulsíma	745
Total	6,705

Railway rate (*ut supra*) Rs. 33·30.

Receipts from Down Traffic, 6,705 × Rs. 33·30 = Rs. 223,276.

Up Traffic.

For year 1883 the Up Traffic by rail over the Railway was as follows:—

Rice and 2nd class	...	Tons 97,968,	about $\frac{9}{10}$ of the whole traffic.
Manure and 3rd class	...	" 10,885	" $\frac{1}{10}$ "
Total		Tons 108,853	

The actual returns of years past show that the Up Traffic is about three times that of the Down.

Haputalé District, Down traffic	...	...	**Tons 6,705**
Do.	**Up traffic = 6,705 × 3 =**	...	**„ 20,115**
	Total of Up and Down traffic—Tons		**26,820**

A —$\frac{9}{10}$ of the Up traffic is 2nd class (see above) at the rate of Rs. 41·90 per ton.
B.—$\frac{1}{10}$ of the Up traffic is 3rd class at the rate of Rs. 24·35 per ton.
A.—$\frac{9}{10}$ of 20,115 × Rs. 41·90 = Rs. 758,557—Receipt for 2nd class.
B.—$\frac{1}{10}$ of 20,115 × Rs. 24·35 = „ 48,968 „ 3rd class.

Total for Up traffic Rs.—807,525

Down and Up Traffic.

Down traffic (see above)	...	Rs. 223,276
Up traffic (do.)	...	„ 807,525
	Total Receipts—Rs.	1,030,801

Estimated working expenses, 50 per cent.

Profit	... ...	Rs. 515,400
Estimated capital expenditure	...	„ 6,349,899

Profit, 8·10 per cent. on capital expenditure.

Six per cent. would be	...	Rs. 380,994

A.—CART RATES.

		Real Average.		Minimum	Average for the three Districts.
Haputale	...	Rs. 32·18	...	Rs. 27	... •Rs. 32·75
Badulla	...	„ 31·18	...	„ 27	
Madulsima	...	„ 40·31	...	„ 33	

The Railway return at the average Haputalé Down rate and the Railway Up rate is as follows :—

Down traffic 6,705 × Rs. 32·18	=	Rs. 215,767
Up traffic (see above)	...	„ 807,525
	Total—Rs.	1,023,292

which gives 8 per cent.

The Railway return at the average Haputalé and Badulla Down rate and the Railway Up rate is as follows :—

Down traffic, 6,705 × Rs. 31·80	=	Rs. 213,219
Up traffic (see above) ...	...	„ 807,525
	Total—Rs.	1,020,744

which gives 8 per cent.

Railway return at the average (Rs. 32·75) Haputalé, Badulla, and Madulsima Down rate and the Railway Up rate is as follows :—

Down traffic, 6,705 × Rs. 32·75	=	Rs. 219,589
Up traffic (see above)	...	„ 807,525
	Total—Rs.	1,027,114

which gives 8 per cent.

B.—NOTES.

Up traffic at Railway rate + Down traffic at minimum rate of Rs. 27 per ton gives 7¾ per cent., as shown below :—

Up traffic	...	Rs. 807,525
Down ...		„ 181,035
	Total—Rs.	988,560
Deduct 50 per cent. working expenses		494,280
	Profit ... Rs.	494,280

=7¾ per cent. on the capital.

Up traffic alone at Railway rates will pay 6 per cent., if Down trafficsimply pays expenses.

***Note.*—The return of produce sent by cart includes all produce—i. e., both coffee and cinchona as given by the planters—and in calculating the cart rates all the produce is considered.**

RAILWAY GOODS RATES BETWEEN COLOMBO AND NÁNU-OYA.

				Per ton.
Down	...	Coffee	...	Rs. 22·50
Up	...	2nd class	...	„ 31·10
„	...	3rd class	...	„ 17·60

June 5th, 1885.

W. T. PEARCE,
General Manager.

Enclosure No. 3 in No. 4.

CHIEF RESIDENT ENGINEER, Railway Extension, to the Hon. the COLONIAL SECRETARY.

Dimbula, 25th May, 1885.

Report upon and Revised Estimate for the proposed Extension of the Railway to Haputalé Pass.

SIR,—IN accordance with the instructions contained in your communication No. 25 of 3rd March last, I have the honor to submit for the information of His Excellency the following report, accompanied with a revised estimate for an extension of the railway to Haputalé Pass.

2. In order that what is to follow may be clearly understood, it is, I think, necessary briefly to refer to the estimates previously submitted to Government for the work in question.

Estimate No. 1. (Mr. Mosse's.)

3. The first of these estimates was that submitted by Mr. Mosse with his letter to your address No. 128 of 11th July, 1878,* and in it the cost of the works is summarized as follows :—

	Rs.
Way and Works, including earthwork, tunnels, bridges (including the manufacture, freight, &c., of the girders), culverts, retaining walls, permanent way (including cost of its supply, manufacture, freight, &c.), fencing, road diversions (including metalling), level-crossings, &c.	5,822,752
Stations	170,500
Telegraph	14,843
Land and Compensation	61,875
Engineering Supervision and Administration	241,162
Rolling Stock	577,544
Grand Total—Rs.	6,888,676

thus giving a total mileage rate for 25 miles 39.20 chains, the length of the line, of Rs. 270,250.

Estimate No. 2. (Consulting Engineer's.)

4. Upon consideration of the documents and drawings relating to the foregoing estimate, the Consulting Engineer, in the 10th, 11th, and 12th paragraphs of his report to the Crown Agents dated 16th December, 1879,† stated that having regard to the probable scarcity of labour, and consequent rise in the rate of wages, if the construction of the railway to Haputalé were carried on simultaneously with that to Nánu-oya, as well as to the then uncertainty as to the price of materials from England and the course of the rate of exchange, his estimates for the extension would be Rs. 7,749,761, or Rs. 303,912 per mile, but that if the first of these disturbing causes were removed, a very considerable reduction in this estimate might be expected.

Estimate No. 3. (Acting Chief Resident Engineer's.—June, 1880.)

5. Mr. Mosse's estimate for the extension having been framed before the specification contract, and contract drawings for the Nánu-oya railway were prepared, and being moreover classified in a somewhat different manner, inasmuch as the cost of manufacture and freight of permanent way materials and iron girders for bridges were included under the head of "Way and Works," that is as though the cost of these items were to be borne by the Contractor, while the cost of stations was excluded therefrom, the contrary being the case in the contract entered into for the Nánu-oya railway, it was deemed desirable by the Consulting Engineer that a fresh estimate should be framed and contract drawings for the work should be prepared in a similar manner and form to the corresponding work done by me in England in 1879, under his supervision, for the Nánu-oya railway.

6. In your communication No. 45 of 3rd April, 1880, I was instructed to carry out the Consulting Engineer's wishes, and fully detailed contract drawings with schedules for the work, accompanied by an estimate, were accordingly prepared and forwarded to you for transmission to the Consulting Engineer with my letter No. 66 of 16th June, 1880.

The amount of this estimate was Rs. 7,493,297·62, and it was classified in the following manner :—

Schedule No. 1.—Works which under a Contract similar in form to that for the Nánu-oya railway would be executed by the contractor :—

	Rs.	cts.		Rs.	cts.
A. Earthwork	2,579,135	50	J. Metalling roads	12,636	0
B. Tunnels	1,035,090	0	K. Stations	225,533	51
C. Bridges	215,000	0	L. Workshops	67,622	85
D. Culverts	730,198	0	M. Reserve quantities ...	128,130	0
E. Retaining Walls ...	187,923	70		5,899,789	31
F. Permanent Way ...	396,599	75	N. Maintenance	30,476	70
G. Switches and Crossings ...	4,560	0			
H. Fencing	16,000	0			
I. Level Crossings	1,360	0	Total of schedule No. 1—Rs.	5,930,266	1

* See Sessional Paper VI of 1878, page 7 † See Sessional Paper VI. of 1880.

Schedule No. 2.—Works which under a contract similar to that for the Nánu-oya railway would be executed by the Government (rupees are taken at 1*s.* 8*d.*):—

	Rs.	cts.
Telegraph ...	14,843	0
Land and Compensation	61,875	0
Engineering Supervision	241,162	0
Manufacture and cost of freight and transport from England to Náwalapitiya of wrought iron bridge-work	65,102	39
Manufacture and cost of freight and transport from England to Náwalapitiya of cast iron bridge-work	4,825	0
Rolling Stock	577,544	0
Steel Rails: manufacture, freight, and transport to Náwalapitiya	387,200	0
Steel Guard Rails: manufacture, freight, and transport as above	50,063	0
Fastenings of all sorts: manufacture, freight, and transport as above	57,900	0
Switches and Crossings: manufacture, freight, and transport as above	12,825	0
Baltic sleepers: supply, freight, and transport as above	89,692	22
Total of Schedule No. 2	1,563,031	61

Total of Schedule No. 1—Rs.	5,930,266	1
Total of Schedule No. 2 ...	1,563,031	61
Grand Total as above—Rs.	7,493,297	62

It will be observed that this Estimate is Rs. 604,621 higher than Estimate No. 1 framed by Mr. Mosse; but, on the other hand, it is Rs. 256,463 38 lower than Estimate No. 2 framed by the Consulting Engineer.

7. All the foregoing estimates were framed before the contract was let for this railway, and the prices set down for the various descriptions of work, on which they were based, were assumed by their framers to be sufficient to cover them.

Estimate No. 4.

8. Since they were framed, however, we have had actual experience gathered from the contract rates for the Nánu-oya railway as to the prices at which railway work in the Central Province of Ceylon can be profitably executed, and accordingly I addressed to you my letter No. 74 of 7th April, 1884, a copy of which is annexed, in which I showed that at the rates set down by Messrs Nowell & Co. for this line, the total of schedule No. 1 of Estimate No. 3, including maintenance, became Rs. 5,514,152·78. In schedule No. 2 I made no alteration, and the total estimated cost of the line from Nánu-oya to Haputalé at Messrs. Nowell & Co.'s prices for this railway, providing for the execution of works in all respects of the same character and description as those executed thereon, thus becomes

Schedule No. 1	Rs. 5,514,152	78
Schedule No. 2	1,563,031	61
	Rs. 7,077,184	39

Details of Schedule No. 1, classified as on the Nánu-oya railway, are as follows:—

A.—Earthwork	Rs. 1,924,184	30
B.—Tunnels	985,800	0
C.—Bridges	246,141	50
D.—Culverts	581,448	85
E.—Retaining Walls	688,073	80
F.—Permanent Way	396,947	67
G.—Switches and Crossings	10,640	0
H.—Fencing	20,000	0
I.—Level Crossings	5,750	0
J.—Metalling Roads	16,848	0
K.—Stations	362,554	14
L.—Workshops	61,514	52
M.—Reserve Quantities	138,050	0
	5,437,952	78
N.—Maintenance	76,200	0
Total of Schedule No. 1—Rs	5,514,152	78

It is with the total of this estimate that the estimate which I have now the honor to submit should be compared, in order that the actual saving made by certain modifications of the work, which will be suggested in the following portion of this report, may be ascertained.

9. I wish it to be distinctly understood that these modifications are submitted entirely subject to the sanction and approval of the Consulting Engineer, by whom the original designs and estimates were approved, and before whom therefore it is I think most essential that any proposed alterations in them should be laid; and in order that he may be in a position to form an opinion upon them, it is necessary, I think, to point out in the first place that the distribution and amount of annual rainfall in the district between Nánu-oya and Haputalé, which must always form a most important element in determining the design of railway works, is widely different from that experienced in the districts of Ambagamuwa and Dimbula traversed by the Nánu-oya railway.

10. It is to be regretted that the country traversed by the Haputalé Extension being for the most part uninhabited, no observations of the rainfall have been taken at stations actually on

or very close to the railway trace; the stations nearest to it being Nuwara Eliya, Hakgala, and Miriyabedda.

At Nuwara Eliya, 4½ miles distant from the commencement of the line at Nánu-oya, the rainfall is thus tabulated by the Hon. the Surveyor-General :—

1884.	Inches.	No. of days on which rain fell.	Means of 14¾ years. Inches.	Days.
January	1·49	9	5·54	12
February	0·24	3	2·53	6
March	3·19	7	3·12	8
April	3·17	9	5·84	13
May	5·01	14	8·26	15
June	4·58	17	14·04	24
July	7·08	22	14·07	23
August	10·64	26	9·44	23
September	6·17	20	8·98	20
October	12·64	22	10·56	22
November	9·61	16	9·49	19
December	12·30	16	8·33	15
	76·42	181	100·20	200

	Inches.	Inches.
Average daily fall $\frac{76·42}{366}$ and $\frac{100·20}{365}$	·21	·27
Average daily fall counting only those days on which rain was registered, viz., $\frac{76·42}{181}$ and $\frac{100·20}{200}$	·42	·50
Greatest fall registered in any 24 hours	5·30	9·11
	Dec. 12-13, '84.	Sept. 9-10, '74.

At Hakgala, about 4 miles to the north of a point on the Haputalé railway, distant 10 miles from Nánu-oya, the rainfall is thus tabulated by the Hon. the Surveyor-General :—

1884.	Inches.	No. of days on which rain fell.	Means of 1½ year. Inches.	Days.
January	4·67	17	4·67	17
February	1·85	7	1·85	7
March	3·90	9	3·90	9
April	3·02	12	3·02	12
May	4·48	12	4·48	12
June	2·23	11	2·23	11
July	3·09	17	7·07	19
August	4·33	22	6·14	23
September	8·32	20	5·79	17
October	14·07	25	10·43	24
November	9·81	18	9·52	21
December	15·47	25	11·65	21
	75·24	195	70·75	193

	Inches.	Inches.
Average daily fall $\frac{75·24}{366}$ and $\frac{70·75}{366}$	·21	·19
Average daily fall counting only those days on which rain was registered, viz., $\frac{75·24}{195}$ and $\frac{70·75}{193}$	·38	·36
Greatest fall registered in any 24 hours	3·62	4·85
	Dec. 12-13, '84.	July 12-13, '83.

And at Miriyabedda estate, distant in a direct line some 4 miles to the East of the railway terminus at Haputalé Pass, the observations taken by the Hon. the Surveyor-General give the following results :—

1883.	Inches.	No. of days on which rain fell.	Means for 10¾ years. Inches.	Days.
January	2·30	10	4·49	10
February	8·20	10	4·57	8
March	8·11	12	8·81	12
April	13·85	15	11·03	17
May	9·82	13	7·28	16
June	0·98	9	1·78	7
July	Not recorded		2·56	8
August	6·89	14	4·32	10
September	3·88	13	5·85	10
October	12·50	18	12·78	19
November	15·35	27	17·41	23
December	10·57	16	10·21	18
	92·45	157	91·09	158

		Inches.		Inches.
Average daily fall $\frac{92\cdot45}{384}$ and $\frac{91\cdot09}{365}$	..	·27	...	·25
Average daily fall counting only those days on which rain was registered, viz., $\frac{92\cdot45}{157}$ and $\frac{91\cdot09}{158}$	...	·58	...	·57
Greatest fall registered in any 24 hours	...	6·00	...	6·92
		May 8-9, '83.		Sept. 23-24, '77.

For comparison with the above returns, I may mention that the average annual rainfall at Náwalapiṭiya and Dimbula for the last 13 years has been 141·66 inches and 111·32 inches respectively, and the maximum fall in any 24 hours recorded during the same period was at Náwalapiṭiya, 12·65 inches on September 10th, 1872, while at Dimbula the maximum fall in any 24 hours was 9·60 inches registered on 9th May, 1883.

It is worthy of record, as illustrating the rainfall of Dimbula, that during the months of July, August, September, and October, 1882, 137 58 inches of rain falling on 102 days were registered at Cameron's Land near the 23rd mile on the Nánu-oya railway, the greatest fall in any one day during that period being 6·20 inches on the 30th July *

I also annex a table giving the rainfall as recorded by the Officers of the Public Works Department at Padupola, about 4 miles to the west of a point on the Nánu-oya railway about 10 miles distant from Náwalapiṭiya, which may be taken, there being no intervening range of hills sufficiently high to intercept the rain clouds, as fairly representing, though perhaps slightly in excess, the rainfall of that part of Ambagamuwa traversed by the Nánu-oya railway between the 8th and 15th miles from Náwalapiṭiya :—

1884.		Inches.		No. of days on which rain fell.		Means for 13 Years. Inches.		Days.
January	...	·13	...	2	...	2·57	...	5
February	...	·07	...	2	...	3·94	...	4
March	...	·46	...	12	...	8·79	...	8
April	...	·43	...	9	...	11·48	...	14
May	...	7 91		30	...	17·70	...	13
June	...	34·25	..	25	...	38·39	...	24
July	...	28·73	...	31	...	33·34	...	24
August	...	37·31	...	28	...	30·57	...	24
September	...	25·14	...	27	...	26·60	...	19
October	...	42·95	...	27	...	30·29	...	22
November	...	12·80	...	13	...	15·83	...	17
December	...	14·65	..	18	...	8·91	...	10
		204·83		224		228·41	...	184
						Inches.		Inches.
Average daily fall $\frac{204\ 83}{366}$ and $\frac{228\ 41}{365}$					...	·56	...	·62
Average daily fall counting only those days on which rain was registered, viz., $\frac{204\cdot83}{224}$ and $\frac{228\cdot41}{184}$					...	·91	...	1·24
Greatest fall registered in any 24 hours					...	6·89	...	18·80
						Oct. 14-15, '84.		Sept. 8-9, '72.

From these returns it will be evident that the works on the Nánu-oya railway have to sustain the effects of an annual and diurnal rainfall, each more than twice as great as that which the works on an extension of the line to Haputalé will probably experience.

11. Bearing this milder climate as regards rainfall in mind, the first and most important modification I beg to suggest is a reduction in the depth of ballast. This will be referred to in detail further on under the heading of Permanent Way, and is merely mentioned here as on it and the consequent decrease in the bottom breadth of the ballast depend nearly every possible reduction in the work comprised in the construction of the railway proper, excluding stations.

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12. I will now proceed to refer to the modifications I propose in detail, giving, as far as possible, the saving estimated as being effected by each such modification.

The prices at which the present estimate for every description of work is calculated are, where applicable, those set down by Messrs. Nowell & Co. for corresponding works on this railway.

SCHEDULE No. 1.

Works which, under a Contract similar in form to that for the Nánu-oya railway, would be executed by the Contractor.

13. A.—*Earthwork.* I propose to reduce the formation widths of cuttings in rock and earth from 16 feet and 20 feet to 15 feet and 18 feet respectively, and also, in cases where there would otherwise be spoil, to reduce the formation width of cuttings in earth to 15 feet also, the sides of the ballast being in such cases as well as in rock cuttings packed up to a slope of $\frac{1}{4}$ to 1.

Experience upon this railway has shown that, owing to the general short lengths of the cuttings, there need be no apprehension of scour taking place in the small ditches at the edges

* See para. 36 of my letter to the Hon. the Colonial Secretary, No. 24 of 31st January, 1883.

of formation, but that even in earth cuttings on a gradient of 1 in 44 their tendency is, on the contrary, to silt up.

The formation breadth of embankments is reduced from 18 to 17 feet, and in cases where side cutting is required to 16 feet; and upon these reduced breadths the earthwork quantities have been calculated.

The effect of these reductions in formation width has been to reduce the estimate for earthwork by Rs. 107,861·10 as compared with the price set down for this item in Estimate No. 4.

Recent railway practice affords several instances of the adoption of formation widths somewhat similar to those now recommended. On Prussian railways having a gauge of 4 feet 8½ inches the formation width for a single line is 15 feet 6 inches. On French railways the minimum formation width in cuttings for a single line to the edge of the ditch is 11 feet 7 inches. On English railways the average formation width for a single line is 18 feet. In Victoria* the average breadth of formation for a single line, the gauge being 5 feet 3 inches, is 16 feet 6 inches. Upon the North-Eastern railway in that Colony, beyond the first 60 miles this width is 17 feet in banks and 18 feet 6 inches in cuttings. On the Canadian Pacific railway† the formation width of embankments is 14 feet. On the St. Gothard railway‡ the formation width of banks is 17 feet 2 inches, and that of cuttings, excluding side drains, 17 feet 8 inches: but on the mountain section these widths are increased by 8 inches. On the West Shore railway§ in the United States, which is not a "cheap" American railway, but one constructed in a settled country to serve a large traffic—

The formation width of banks is		...	15 feet
Do.	earth cuttings	...	20 „
Do.	rock cuttings	...	17 „

14. With reference to the question raised in the 4th paragraph of your letter No. 25 of 3rd March last, I have the honour to report that, having carefully walked over about one-quarter of the Haputalé extension, I do not feel that it would be safe for me, for the following reasons, to make any alteration in the anticipated proportions of rock and earth, nor to encourage the Government to count upon any considerable saving, even if the amount of rock were very much less than that scheduled, or even if no rock at all were met with.

15. An examination of the strata disclosed by the cuttings on this railway, which can now be made by any observant traveller, will show their excessive irregularity.

16. In some cases the cuttings will be found to be of earth, except perhaps at one or two points where huge boulders, of which no indications appeared on the surface, but the tops of which lie at only a few feet below it, and which form a very considerable portion of the contents of the cutting, occur.

In other cases the whole of the cutting is through boulders and earth, without any regular stratification. While again, in other cases, a regular stratum of rock or of boulders lying close together, perhaps only one or two feet thick, is met with extending right across the cutting, below which earth again occurs. I have every reason to think that the cuttings upon the Haputalé railway will be through material generally similar to that met with on this line.

17. In all these cases borings might, and probably would judging from the experience gathered on this railway, where borings were taken in many of the cuttings, give the most fallacious results. In the first two cases it is evident that any borings taken might either hit or miss the boulders or rock, while in the latter case a uniform stratum of rock being met with, the engineer might, and possibly would, feel confident that all below it was rock, the exact contrary being the case.

18. Trial pits, if sufficiently numerous, would of course give more trustworthy results, but the great expense of sinking them would, I submit, be utterly incommensurate with any benefit derived, as the following considerations will, I think, amply show.

19. Under a schedule contract, or if the work be executed departmentally, payment would of course only be made for the quantities of rock and earth actually excavated.

20. The experience upon this railway has proved that, in consequence of the much greater quantity of excavation necessary, accompanied with the expense of removing slips, which are of course much more liable to occur in earth than in rock cuttings, the decrease in the amount of rock met with, as compared with that scheduled, has not resulted in any corresponding saving in the cost of earthwork. In illustration of this point I annex copy of paragraph 3 of my last half-yearly report, No. 31 of 12th February last:—

"A.—EARTHWORK executed up to 31st December last.

	Up to 30th June, 1884.	During half-year ending 31st December, 1884.	Total to 31st December, 1884.	Contract Quantity.
	Cubic yards.	Cubic yards.	Cubic yards.	Cubic yards.
Rock ...	660,567	28,353	688,920	1,044,794
Earth ...	1,980,954	38,706	2,019,660	1,379,832
Total ...	2,641,521	67,059	2,708,580	2,424,626

* Report of Captain Tyler, R E, to Board of Trade for 1875.
† Proceedings, Inst. C. E., vol. lxxi., page 383.
‡ Proceedings Inst. C. E., vol. lxxiii., page 398.
§ Proceedings, Inst. C. E., vol. lxxvii, page 248.

"The sums paid for earthwork are as follows :—

	Up to 30th June, 1884.	During half-year ending 31st December, 1884.	Total to 31st December, 1884.	Contract Amount.
	Rs.	Rs.	Rs.	Rs.
Rock ...	1,122,964	48,200	1,171,164	1,776,150
Earth ...	1,188,573	23,223	1,211,796	827,899
Total ...	2,311,537	71,423	2,382,960	2,604,049

"And the corresponding per-centages of contract amount paid are :—

	Up to 30th June, 1884.	During half-year ending 31st December, 1884.	Totals to 31st December, 1884.
Rock ...	63 22	2 71	65·93
Earth ..	143·56	2·81	146·37

"The total quantity of rock and earth excavation taken together, executed up to 30th June "last, is thus shown to be 2,708,580 cubic yards, or 111·30 per cent. of the total contract quantity, "while the amount paid is Rs. 2,382,960, or 91·51 per cent. of the contract sum for earthwork."

On examination of these figures it will be seen that, although up to 31st December, 1884, only 65·93 per cent. of the scheduled quantity of rock had been excavated, yet the expenditure upon rock and earth excavation, taken together, amounted to 91·51 per cent. of the contract sum for these items.

21. Again, in extremely steep ground the excavation of an earth cutting, setting aside any risk of slips, may, assuming that Messrs. Nowell & Co.'s contract prices represent the comparative value of rock and earth excavation, actually cost more than that of a rock cutting. This is evident from the following figures.

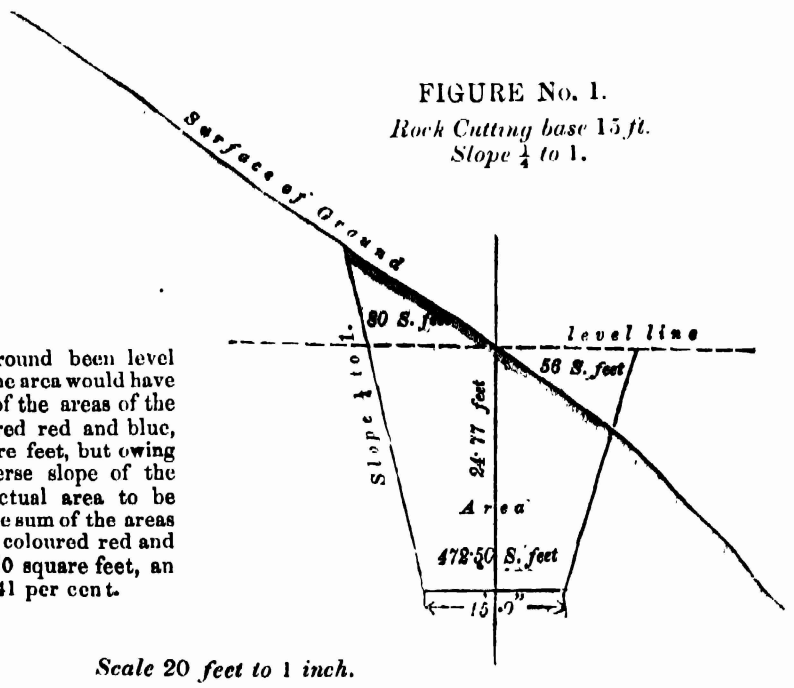
Messrs. Nowell & Co.'s scheduled price for rock excavation per cubic yard is Rs. 1·70, or 2·83 times their price of 60 cents per cubic yard for earth excavation.

Cutting No. 60 on the Haputalé extension, scheduled as rock, and calculated to a formation width of 15 feet with slopes of ¼ to 1, contains 4,469 cubic yards, and its cost would, therefore, be Rs. 7,597·30 ; had this cutting been through earth, requiring a formation width of 18 feet with slopes of 1 to 1, its contents would have been, had the surface of the ground been level in a direction transverse to the cutting, 8,122 cubic yards; the average transverse slope of the ground is however 30°, and this causes an increase of about 60 per cent. to the contents, thus raising the total quantity to be excavated to 12,995 cubic yards, or 2·92 times the quantity of the cutting if calculated as being rock, and this quantity at 60 cents per cubic yard amounts to Rs. 7,797, or Rs. 199·70 above the price set down for it as a rock cutting.

22. An examination of the annexed diagrams, being the actual cross sections of the ground at 5 miles 49 chains, a point in cutting No. 60 on the Haputalé extension, will render clear to an unprofessional person the enormous increase to earthwork quantities upon a railway caused by the steep sidelong or transverse slope of the ground :—

FIGURE No. 1.

Rock Cutting base 15 ft.
Slope ¼ to 1.



Had the ground been level transversely, the area would have been the sum of the areas of the portions coloured red and blue, or 528·50 square feet, but owing to the transverse slope of the ground, the actual area to be excavated is the sum of the areas of the portions coloured red and green, or 552·50 square feet, an increase of 4·541 per cent.

Scale 20 feet to 1 inch.

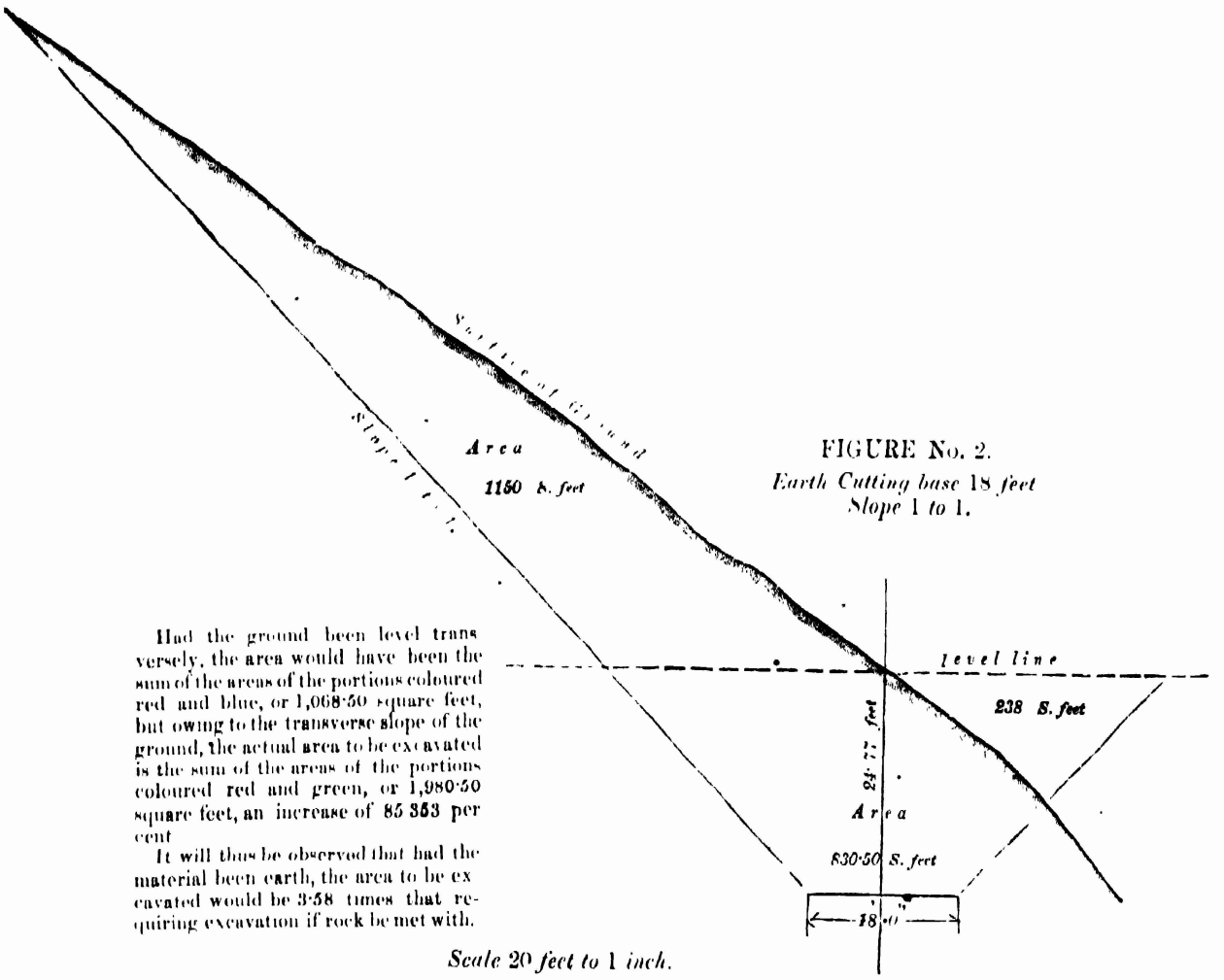


FIGURE No. 2.
Earth Cutting base 18 feet
Slope 1 to 1.

Had the ground been level transversely, the area would have been the sum of the areas of the portions coloured red and blue, or 1,068·50 square feet, but owing to the transverse slope of the ground, the actual area to be excavated is the sum of the areas of the portions coloured red and green, or 1,980·50 square feet, an increase of 85 353 per cent

It will thus be observed that had the material been earth, the area to be excavated would be 3·58 times that requiring excavation if rock be met with.

Scale 20 feet to 1 inch.

I have been thus detailed upon this subject inasmuch as I desired to make the matter, which most seriously affects the principles on which any railway estimate is framed, and on which I think much misconception exists, specially clear.

23. B.—*Tunnels.* In this item a saving of Rs. 22,000 has been effected by substituting a cutting for the tunnel formerly scheduled as beginning at 6 miles 45·79 chains. This alteration has enabled me to dispense with a large amount of side cutting formerly scheduled as required to form an adjacent embankment. The maximum depth of the cutting now necessary is only 61 feet.

24. C.—*Bridges.* Under this heading the principal alterations suggested in the work as compared with that originally provided for are the following :—The omission of all ashlar except for girder bed stones where I deem it essential, and also the omission of all work in parapets and pilasters above formation-level ; on the other hand, I have, as on this railway, provided for the abutments and piers of bridges on curves being 19 feet in length, instead of 18 feet as formerly, 10 feet 3 inches of this length being on the convex and 8 feet 9 inches on the concave side of the curve, the object being to prevent the bed stones of the girders when spaced 10 feet apart centre to centre from being too near to the corners of the abutments. I have also provided for the use of masonry set in cement instead of in mortar for bridge piers, and have allowed for the top breadth of piers Nos. 2 and 3 of bridge No. 6 at 6 miles 10·40 chains, which are very high, being increased from 6 feet to 7 feet, the ends in all cases being, as before, vertical, while the sides have a batter of 1 in 24. I have also adopted in framing the present estimate for this item the sections for wing-walls built on this railway, which are stronger than those originally provided for, and have made a more liberal allowance for the longitudinal timbers on bridges.

A further alteration has been made by substituting culverts for bridges Nos. 2 and 5 formerly scheduled at 0 mile 61·64 chains and at 4 miles 15·45 chains.

In the first of these cases I have substituted a 16-feet arched culvert for a bridge of 30 feet span ; this will, I am confident, afford ample waterway, inasmuch as this stream having in the meantime received the water from several ravines and water-courses, passes under the Lorne road extension about half a mile below the railway by an iron girder bridge of 17 feet 6 inches span having a headway of 17 feet.

In the second of these instances, where I have substituted a 5-feet arched culvert for a bridge of 20 feet span, I cannot but think some error must have been made in the original schedules, as from a careful examination of the stream I consider the culvert will amply suffice to carry the water.

25. The nett result of all these alterations has been a saving of Rs. 33,987·48, as compared with the total of this item in Estimate No. 4. Details showing the manner in which this is arrived at are annexed.

C.—*Bridges.*

			Rs.	cts.
Amount of Estimate No. 4			246,141	50
Add increase due to increased dimensions of piers and the use of cement instead of lime mortar therein			18,115	0
Add cost of increased quantity of timber allowed for ...			1,554	0
			265,810	50
Deduct cost of Bridges Nos. 2 and 5 dispensed with ...	35,093	0		
Deduct cost of ashlar dispensed with ...	10,456	50		
	45,549	50		
Deduct nett decrease in cost of ordinary masonry after allowing for increase in section of wing-walls, &c. ...	8,106	98	53,656	48
Amount of present Estimate	—		212,154	2

26. Before leaving this part of my report I desire to state very emphatically that I am not prepared to recommend the adoption of masonry for bridges inferior in the slightest degree to that executed upon the Nánu-oya railway, the specification* for which is not, in my opinion, more stringent in any important particular than that adopted by the Public Works Department for first-class masonry; and it is needless to remark that if good and substantial masonry be required for roads, it is *a fortiori* required for a railway, where the structures are necessarily often much larger, and are subject to the direct strains and vibrations imposed by the passage of locomotives each weighing more than 20 laden bullock carts, and travelling at three or four times their velocity.

27. As regards the necessity for good masonry in piers, the case is, if possible, even stronger; and I would quote the case of the Pérádeniya bridge upon the Main Line, the only viaduct having masonry piers between Colombo and Kandy which is at all comparable in height and magnitude with the viaducts upon this and the Haputalé railway. The Pérádeniya bridge is one of two 100-feet and two 60-feet spans, the height of the piers above low-water level is 41 feet, their length is 32 feet 3 inches, and their breadth at the top 9 feet 6 inches, giving a top area of 306,375 feet; they have a batter of 1 in 24, being the same as that adopted on this railway, where the viaduct piers of ordinary masonry for 80 feet spans, in some cases nearly 60 feet high above the bed of the stream, are 19 feet long at the top by 7 feet wide, thus having a top area of 133 feet.

The piers of the Lochiel viaduct, where the roadway is carried between instead of on the top of the girders, have a special length of 22 feet by a breadth of 7 feet at the top, thus giving a top area of 154 feet.

The piers of the Pérádeniya bridge are admittedly of much inferior masonry than that adopted on the Nánu-oya railway; they are not built for a double line of rails, for the present roadway being in their centre there is no room on them on either side for the additional line, and the only apparent reason for their large dimensions is therefore to obtain stability.

Upon comparison of the top areas of these piers with those 19 feet by 7 feet in area generally adopted upon the Nánu-oya railway, it will be evident, if the cost of the masonry per cubic yard in the piers of the Pérádeniya bridge was only half that of the masonry in piers on this line, which is very unlikely, a very large saving has been effected by the substantial masonry built on this railway. In fact, in order that the cost of these piers should balance, it is necessary that the price for the masonry in the Pérádeniya bridge per cubic yard should have been ·43 of that in the piers on the Nánu-oya railway, or, in other words, that its cost should not have exceeded Rs. 15·05 per cubic yard.

28. D.—*Culverts.* The principal alterations suggested for the consideration of the Consulting Engineer are the substitution of dry masonry for masonry in mortar in the case of flat-topped culverts; for open culverts, which are exposed to the direct vibrations of passing trains, and for arched culverts adopted for the larger streams, I have estimated for masonry in mortar as heretofore. I have set down the price for dry masonry at Rs. 11 instead of Rs. 13 per cubic yard, thus allowing Rs. 2 per cubic yard to represent the value of the mortar.

The decrease in formation widths, referred to in para. 13 of this report, has naturally resulted in a corresponding decrease in the length of each culvert.

I have substituted drop walls at both ends to all classes of culverts as upon the Nánu-oya railway, in lieu of the pitching originally provided for; the cost of this alteration has been duly allowed for.

I have dispensed with coping in all cases for which a special price of Rs. 32 per cubic yard was arranged with the Contractors for this railway, and have substituted pointing in cement to the exposed joints in the top courses of all walls built in mortar; for this the price agreed upon with the Contractors for this line of Rs. 1 per superficial yard has been allowed. I do not consider that any injurious effect can result from the omission of coping, as in the country traversed by the Haputalé railway, frost, except hoar frost which disappears immediately after sunrise, is unknown, and this is, I think, neither severe nor long enough continued to produce any appreciable damage to the work.

* Compare articles 59, 61, 62, 63, and 64 of Nánu-oya Railway specification with articles 18, 19, 20, 21, 22, 23, and 24 of "General Specification for Works—Roads," given at page 61 of Code of Departmental Regulations for Public Works Department, 1879.

I have also after careful examination of the ground revised the culverts on the first six miles of the line,* and for the larger culverts have adopted the enlarged section of wing walls used upon this railway.

29. The nett result of all these alterations has been a reduction in the estimate of Rs. 74,048·55, and of this sum I consider Rs. 34,535·80 represents the saving due to the use of dry masonry instead of masonry in mortar.

30. Before leaving the subject of culverts, I would remark that, as in the case of bridges, I should on no account recommend the adoption of masonry in any degree inferior to that specified for the Nánu-oya railway. The dry masonry especially, should the adoption of this class of work be sanctioned by the Consulting Engineer, must be very carefully built.

31. E.—*Retaining Walls.* In this item, which amounts to Rs. 688,073·80, I have made no alteration, but have retained the sum set down for it in Estimate No. 4.

The experience gathered upon the Nánu-oya railway, where the expenditure to 31st March last has been only Rs. 229,605·04, or 53·10 per cent. of the scheduled amount of Rs. 432,394·20, leads me most confidently to anticipate that in construction a very large saving under this head, probably amounting to Rs. 200,000 or more, can be effected by small deviations of the line; but as your instructions did not, as I understand them, include the setting out of these deviations, which would necessitate the most careful study of the ground at each place where walls are scheduled, and which, owing to the absence of any house accommodation along the route, would have occupied a long time and involved a very large expenditure, I have preferred to leave the amount originally set down unaltered, the more especially as a margin to cover excess expenditure and unforeseen contingencies under other heads of my estimate is thus conveniently afforded.

32. It is perhaps desirable to remark that upon the steep sidelong ground, having an inclination of from 30° to 45,° or even steeper, where these walls invariably occur, a lateral deviation of the line of only a few feet, which can be easily made, often in a few hours, when the construction of the line is begun, without delaying the work, will, where such deviations are practicable as they in many cases undoubtedly are, have the effect of largely reducing the contents of a wall, or even of rendering it unnecessary.

33. F.—*Permanent Way.* The principal alterations suggested under this head are the reduction in depth of ballast which, measuring from the top of the rail to formation level, I propose to be 1 foot 6 inches, instead of 2 feet as upon this railway, and the use of hardwood sleepers alternately with creosoted sleepers upon sharp or guarded curves only, the rest of the line being laid with creosoted sleepers throughout.

34. The first of these alterations, by which the nett quantity of ballast is reduced to 1·50 cubic yard, or say to allow for packing, trimming and waste, to 1·80 cubic yard per lineal yard, equal to 3,168 cubic yards per mile, as compared with 4,400 cubic yards formerly provided for, has resulted in a saving of Rs. 35,960.

35. The depth of ballast now proposed gives at the centre line a thickness of 8⅝ inches under the sleepers, which under the rail upon the straight portions of the railway is somewhat increased owing to the transverse slope given to formation. The least depth of ballast under the sleepers at any point of their length is at their depressed ends upon those portions of the line where, owing to the occurrence of sharp curves, the maximum superelevation of 6 inches is given to the outer rail; but even in these extreme cases this depth is 6¾ inches, while under the sleeper at the centre of depressed rail it is 7⅝ inches, and this depth will I trust be deemed sufficient by the Consulting Engineer for efficient drainage, taking into account the transverse slope given to formation level and the use of excellent, clean, hard, broken stone ballast, to both of which I attach great importance and on which I should, as on the Nánu-oya railway, rigidly insist.

Some economy might have doubtless been effected by retaining the same depth of ballast as upon the Nánu-oya railway, but by allowing the lower six inches in depth to be of stones of larger dimensions; but the saving would not, I fear, be very large, as it would be still necessary to break the stone by sledge hammers to its required size, and I hesitate to recommend this alternative, as I fear that if carried into effect much inspection and difficulty would be entailed, especially if the work were done by contract, in getting the top ballast, which for packing must be of small-sized stones, broken to the required dimensions.

I may mention that the minimum depth of ballast upon Prussian railways under the sleepers, as given by Mr. Molesworth, is 8 inches.

Upon the West Shore railway† in the United States, referred to in a preceding paragraph of this report, the depth of ballast is stated to be 1 foot 6 inches.

36. Further reductions in the cost of the permanent way in Ceylon have been effected by the omission, or shortening to a slight extent, of some of the sidings at the roadside stations, (this will be referred to under the heading of Stations), and also by the substitution upon straight lines and flat curves of creosoted for hardwood sleeper; but the effect of this latter alteration has been to some extent neutralized by an increase in the cost of the Baltic or creosoted sleepers from Europe, consequent upon the larger number of them required. This point will be treated upon hereafter.

37. On account of my unfavourable experience of the duration of hardwood sleepers, I would willingly recommend their being dispensed with altogether, even upon sharp curves, if some other efficient means could be devised for maintaining the gauge, which is on those portions of the line always more liable to spread, and where the additional resistance offered by the hardwood sleepers to this tendency is, I think, very valuable.

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* See para. 7 of Consulting Engineer's letter to Crown Agents of 16th December, 1879, Sessional Paper VI. of 1880.

† Proceedings, Inst. C. E., vol. lxxvii., page 248.

38. In pricing out my estimate for permanent way I have corrected a manifest discrepancy of the Contractors in pricing out the schedules for the Nánu-oya railway. It will be observed on reference to page 148 of the specification, that where guarded rails are used the contractors' prices for the storage and transport of the main rails and their fastenings are respectively Rs. 598·75 and Rs. 100 per mile ; while upon page 149 the amounts set down for these items are doubled. I have considered, as I think I am entitled to do, that the lesser prices represent the value of the work, and have therefore calculated the present estimate accordingly.

39. The nett result of all these alterations has been to effect a total saving of Rs. 150,855·22 upon this item.

40. G.—*Switches, Crossings, and Guard Rails.* The reduction in this item of Rs. 3,080 is solely due to the less number of switches and crossings required in consequence of the alterations made in the station yards.

41. H.—*Fencing.*—I do not propose to fence any part of the Haputalé railway, except perhaps for a short distance at Haputalé station, and also at a few other points if required for the safety of the public.

I have allowed Rs. 300 for the erection only of one mile of fencing, the materials for which can be supplied by Government out of those remaining unused, imported for this railway. The saving therefore under this head amounts to Rs. 19,700.

42. I.—*Level Crossings.*—The absence of fencing of course renders gates and stiles likewise unnecessary, and this item in consequence shows a reduction of Rs 4,000.

43. J.—*Metalling Roads.*—At Ambawella and Idulgashena stations, which are remote from any existing roads, and to which from their position with regard to the estates they will serve, as well as on account of the small amount of traffic expected thereat, it is I think unlikely, for some time at any rate, metalled roads will be made, I have substituted gravelling 3 inches in thickness, for which I have entered 50 cts. per superficial yard in lieu of the metalled approaches at Rs. 2 per superficial yard to the passenger and goods stations formerly scheduled.

It is of course evident that it would be waste of money to provide at any station for the accommodation of heavy wheeled traffic if there be no means of vehicles approaching it, and in the event hereafter of roads to these stations being made the metalling can be easily provided without inconvenience.

The result of this alteration has been a saving of Rs. 8,846 in this item.

44. K.—*Stations.* As it would have been manifestly useless for me to suggest alterations in this item, which might hereafter be rejected as impracticable by the authorities upon whom the working of the railway, when made, will devolve, I addressed to the General Manager of the Railway my letters Nos. 92 and 106 of 7th and 13th March last, copies of which together with the replies of that officer thereto, Nos. 48 and 54 of 12th and 17th of that month, are annexed, and I have also had conversations with the General Manager upon the general question of the class of buildings to be erected as stations and for the accommodation of the working staff. From the annexed correspondence it will be observed that the General Manager generally approves of the extent and nature of the accommodation proposed, and in the few cases where our views differ, and I have adhered to my own, I will state the reasons which have induced me to follow this course, which I trust may be deemed sufficient.

45. The following are the more important alterations in the original plans and designs.

At Ambawella and Idulgashena stations I have omitted the carriage dock and siding. Horses and cattle can be loaded and unloaded at the goods platform without inconvenience, and with the same ease as at a carriage dock.

At both these stations I have omitted the *goods siding*, still however retaining sufficient width between the main line and the *goods platform siding* to permit of its insertion without the necessity of making alterations in the buildings and other sidings.

As the passenger portion of the trains will probably not exceed three carriages in length, I have reduced the length of the passenger platform to 140 feet, still however retaining the original distance between the tank-house and water column so as to permit of the platform being lengthened at any time without inconvenience to 200 feet, the length originally proposed.

The watering arrangements and signals at both these stations remain unaltered. I have, however, reduced the length of the goods sheds to 30 feet, adopting the same type of building, subject to certain modifications in details proposed by the General Manager, as that used on the Nánu-oya railway ; this class of building presents ready facilities for extension at any time without interference with the traffic. The height of goods platform walls has been fixed at 3 feet 6 inches instead of 4 feet above rails, that height being the more convenient.

For the passenger station and closets I have made fresh designs, which are herewith submitted. In these buildings it is proposed that everything below platform-level shall be of masonry, and for this masonry, which is not of course exposed to the same strains as that in bridges, I have set down the price of Rs. 10 per cubic yard, being that scheduled by Messrs. Nowell & Co. for underground work in stations on this railway, the superstructure being that known as "wattle and daub" or weather-boarded walling covered with roofing of corrugated zinc. In these designs all "wattle and daub" walls exposed to the weather are protected with weather boarding.

This class of buildings, if carefully erected and with a comparatively small annual expenditure upon repairs after the first three or four years, may be expected, I think, to last from 12 to 15 years, and their duration is increased by the fact that the life of the posts, the most important parts of the structure, is increased owing to their not being exposed to the rapid decay which sets in when posts are merely bedded in earth, while the substructure being of masonry in mortar affords a good and permanent foundation for the building when it requires renewal, and also admits, should the finances of the railway then permit, of the replacement of these to-a-certain-extent-temporary buildings by permanent structures of masonry.

I have set down for weather boarding walling, excluding the timber in the posts to which it is nailed, the price of Rs. 2 per superficial yard; and for wattle and daub walling, including all timber in posts and battens or "reepers" for retaining the "daub," the price of Rs. 1 per superficial yard; both these prices are, I think, liberal.

46. At Pattupola summit station I have, with the concurrence of the General Manager, reduced the size of the engine-house so as to provide for the accommodation of two instead of four engines. The design is also simplified, and economy is thus effected in its erection; ready means of extension, if it be required, without inconvenience are given by the arches in the back wall, which I have estimated for as being temporarily filled in with weather boarding up to springing.

I have allowed for the erection of a turn-table 50 feet in diameter, and for the watering arrangements originally proposed.

I would here remark that if the General Manager can modify his working arrangements so as to allow of the engine-house ashpits, one of the residences, and turn-table provided here being omitted, which I think is practicable and to which therefore his attention might be invited, a further reduction in my estimate of Rs. 25,358 may be effected. The tank and other watering arrangements are essential and cannot be dispensed with.

47. At Haputalé station I have provided for a passenger platform 200 feet in length, with an iron roof over it and the passenger platform siding, which thus affords protection to the carriages at night. This iron roof projects over and covers the passenger station, which in other respects although slightly larger is of the same general design as that proposed for Idulgashena. If, in the first instance, the General Manager could dispense with the roof over the passenger platform and siding, a further reduction of Rs. 20,230 in the present estimate can be effected, and to this point therefore I suggest his attention might be invited; and if also, in view of the experience in working the line between Hatton and Talawakelé for the last six months and of the very low rate of speed proposed to be adopted on the Haputalé Extension, the General Manager could consent to the engines running in one direction tender foremost, the turn-table provided at this station might also be omitted, and a further reduction of Rs. 12,000 effected thereby.

48. At this station the General Manager desired that for convenience in working the design should be altered, the offices being at the end of the platforms as at Colombo and Kandy instead of at the side, also that there should be two platforms and three lines of way, the whole being under cover. Apart from the much larger cost of a station on this type, which would I think absorb nearly, if not quite, all the savings in other respects effected under the heading of Stations, I felt that as no one can be in a position to definitely state that any extension of a railway can be viewed as final, it would be better to face the inconvenience, which cannot I think be considerable, as the offices of all roadside and many terminal stations in England are thus built, and to retain these offices on the side of the platforms as heretofore. In the soundness of this view I am, I think, confirmed by the expense incurred and alterations which were necessary at Colombo, Kandy and Náwalapitiya, where the offices were at the ends of the platforms, owing to the extensions of the railway which were not foreseen when the stations were built.

49. In other respects the arrangements originally proposed for Haputalé station are in all important points unaltered.

50. I have dispensed with separate nameboards at all stations, as the names can easily be painted on the walls of the buildings.

51. As regards accommodation for the working staff at the various stations, I felt that residences and cooly lines of masonry, as designed for this railway at the prices set down for them by Messrs. Nowell & Co., involved so large a cost that an extensive reduction in this item was essential.

52. At Messrs. Nowell & Co.'s prices the small and large residence as designed for this railway cost respectively Rs. 11·07 and Rs. 11·34 per square foot of area measured above plinth level, while the cost of the cooly lines is Rs. 400 per room.

53. The bungalow erected in 1880 for the residence of the District Engineer for this railway upon Galkandawatta estate cost Rs. 1·92 per superficial foot, while the contract price for the bungalow in which I live, which was erected on Cragie Lea estate in the early part of 1881, was Rs. 2·06 per square foot of area covered.

Both these bungalows are of wattle and daub walls plastered on the inside with lime mortar, and protected with weather boarding where exposed to the weather; they have shingled roofs carried on wrought timber rafters; the floors are boarded, and the whole building is raised from the ground and supported on masonry pillars carying timber sills on which the flooring joists and framing of the building rest.

54. For the accommodation of the station masters and clerks I have estimated for buildings of this class, which are similar to those usually occupied by planters in Ceylon, and which, subject to small annual repairs after the first few years, may I think be counted upon as lasting for 15 years or more, and to allow for contingencies have estimated their cost at the liberal price of Rs. 2·50 per superficial foot of area covered.

Drawings of these buildings are submitted with this report.

55. At Pattupola and Idusgashena stations, near which bungalows for the Engineers engaged upon the construction of the railway would be erected, some reduction can probably be made in the accommodation provided, and economy thereby effected, in consequence of the Engineers' bungalows, which will be vacated upon the completion of the railway, being available as residences for the working staff.

56. For cooly lines I have estimated for wattle and daub buildings protected on the front and sides by verandahs. For each room, including its share of the verandah, I have set down in my estimate Rs. 150, the usual price for lines of this description upon estates being, I understand, Rs. 50 per room 10 feet by 10 feet in area.

57. The total saving effected in the item of stations by the modifications made in their designs is Rs. 143,442·83, and should the suggestions made in the 46th and 47th paragraphs of this report be adopted by the General Manager, this saving will be increased to Rs. 201,030·83.

58. L.—*Reserved Quantities.* In accordance with the views of the General Manager as expressed in his letter No. 54 of 17th March last, the item of workshops appearing in Estimate No. 4 is not separately entered in the present estimate, but I have allowed Rs. 40,000 for work under this heading under the item of Reserve Quantities, the total of which item now stands at Rs. 83,250. I may mention that on the Nánu-oya railway the expenditure upon reserve quantities, which it was estimated at the contractors' prices might amount to Rs. 158,100, has been to 31st March last only Rs. 36,939·17.

59. M.—*Maintenance.* In this item I have made no material alteration, retaining the mileage rate set down for it by Messrs. Nowell & Co. in their contract for the Nánu-oya railway.

SCHEDULE No. 2.

Comprising items the cost of which under a Contract similar to the Nánu-oya railway would be borne by the Government.

[N.B.—In calculating amounts in this schedule rupees are taken at 1*s.* 7*d.* each.]

60. O.—*Telegraph.* I have taken the necessary expenditure for this item at Rs. 500 per mile, thereby reducing the former estimate by Rs. 2,144·25.

61. P.—*Land and Compensation.* In this item I have made no alteration, but have taken Mr. Mosse's figures of Rs. 61,875 as representing the necessary expenditure under this heading.

62. Q.—*Engineering and Administration.*—The experience obtained during the construction of the Nánu-oya railway, where the expenditure under this heading from 1st May, 1879, to 28th February last, including that incurred by the Crown Agents in England, has been Rs. 612,221·08, or nearly Rs. 15,000 per mile, has shown that in all previous estimates the cost of this item has been put at far too low an amount. I have therefore set it down at Rs. 355,561·50, or at the rate of Rs. 14,000 per mile, being Rs. 114,399·50 in excess of the sum formerly entered. This amount will, I confidently hope, be ample, as I do not think it at all likely that the construction of the Haputalé Extension of 25¾ miles in length will occupy nearly so long a period as that taken for the construction of this line.

The amount set down under this head is intended to provide only for the staff required if the line be carried on by contract; should it be executed Departmentally, the strength of the staff must necessarily be much increased, as the Government would have to engage the foremen, inspectors, &c., who under the contract system are employed by the contractor. The pay of men of this class however cannot properly be included under the heading of Engineering Supervision, but should be viewed as part of and charged against the cost of the work on which they are engaged, and the rates set down for the works in question, being the contract rates for the Nánu-oya railway, may be assumed as ample to cover charges of this nature.

63. R. & S.—*Wrought and Cast Iron-work in Bridges.* I have set down the liberal price at the present rates for bridgeworkof £14 per ton for manufacture, including inspection, and have allowed £1 10*s.* per ton for freight and all expenses to Colombo, and Rs. 12 per ton for the cost of transport to Nánu-oya.

The total prices set down for these items are Rs.71,628·71 and Rs. 1,766 21, being respectively Rs. 6,526·32 above and Rs. 3,058·79 below the corresponding amounts in my previous estimates.

64. T.—*Rolling Stock.* All previous estimates for this item were framed upon the assumption that an extension of the railway to Haputalé would require the same amount of stock per mile as the main line. Feeling assured that this assumption was an erroneous one, and that the amount previously set down was excessive, taking into account the considerable number of vehicles at present on the open line which cannot, owing to the large variation in the monthly amount of the goods traffic, be always fully employed, and taking also into consideration the fact that the seasons in Uva, on the East slope of the central group of mountains, alternate with those in Dimbula and other districts served at present by the railway, which may be said to lie on their West slope, and the bulk of the additional down traffic—and I think the up traffic also—will, therefore, probably be thrown on the railway at times when its rolling stock is not fully occupied in carrying the traffic derived from the districts at present served by the line, I put myself in communication with the General Manager of the Railway upon this subject. I have also had conversations with that officer upon the matter, and, finding that he agreed generally with my views, I sent him with my letter No. 175 of 30th April last an approximate estimate amounting to Rs. 303,644·75 for the rolling stock I deemed necessary. This estimate was considered to be sufficient by that officer in his letter No. 97 of 8th instant. Copies of both these letters are appended.*

This sum is therefore set down in my estimate as sufficient for this item, being Rs. 273,899·25 less than the former estimate.

65. U.—*Permanent Way steel rails.* V.—*Steel guard rails.* The price of steel rails in England is I understand at present £5 per ton f. o. b. I have set down £6 per ton for their manufacture, £1 10*s.* per ton for their freight to Colombo, and Rs. 12 per ton for their transport from Colombo to Nánu-oya.

The totals set down for these items are respectively Rs. 332,414·10, and Rs. 42,331·83, or Rs. 54,785·90 and Rs. 7,731·17 less than those set down in Estimate No. 3, which was calculated when the price of steel rails f.o.b. in England was about £8 per ton.

* Appendix C.

66. W.—*Fastenings.* This item shows an increase of Rs. 4,436·84, solely due to provision being made for transport to Nánu-oya instead of to Náwalapitiya as in my former estimate.

67. X.—*Switches and Crossings.* This item, after allowing for transport to Nánu-oya instead of to Náwalapitiya, shows a decrease of Rs. 3,045·32 in consequence of the less number necessary.

68. Y.—*Baltic Sleepers.* This item shows an increase of Rs. 101,161·42, due to the following causes. Firstly, because in consequence of the hardwood sleepers having been dispensed with on straight lines and flat curves, the number of Baltic sleepers required is increased from 27,500 to 46,490. Secondly, because I have taken the price of each sleeper as 3*s.* 6*d.* instead of 3*s.* Thirdly, because I have provided for their delivery at Nánu-oya instead of at Náwalapitiya.

69. The items in this schedule bearing the distinguishing letters R, S, U, V, W, X, and Y, have also all been increased in comparison with those formerly set down for them in consequence of the rate of exchange per rupee having been taken at 1*s.* 7*d.* as more nearly representing the current rate than 1*s.* 8*d.* formerly set down for it.

70. Z.—*Contingencies.* This item, for which I have set down Rs. 75,000, did not appear in any former estimate. It is intended to provide against any increase in the cost of ironwork, or of sleepers, any fall in the rate of exchange, for the cost of erection of quarters for the Engineering staff during construction, and generally for sundry miscellaneous expenditure which cannot at the beginning of any work be foreseen. In view of the liberal prices taken for the manufacture of ironwork, and the low rate at which exchange is calculated, this sum will, I hope, prove ample.

71. The following table shows my estimate for the work calculated as regards the items which under a contract similar to that for the Nánu-oya railway would be done by the Contractors at Messrs. Nowell & Co.'s scheduled prices for that railway; and against each item I have entered the amounts formerly set down for it in Estimate No. 4, showing the increase or decrease in each case :—

NÁNU-OYA TO HAPUTALÉ.

Schedule No. 1.

WORKS which under a Contract similar in form to that for the Nánu-oya Railway would be executed by the Contractor.

Distinctive Letters as per Estimate No. 4	Distinctive Letters as per present Estimate	Description of Work	Amount of Revised Estimate, May, 1885.		Amount of Estimate No. 4, April, 1884.		Decrease	
			Rs.	cts.	Rs.	cts.	Rs.	cts.
A	A	Earthwork	1,816,323	20	1,924,184	30	107,861	10
B	B	Tunnels	963,800	0	985,800	0	22,000	0
C	C	Bridges, including erection of wrought and cast ironwork	212,154	2	246,141	50	33,987	48
D	D	Culverts	507,400	30	581,448	85	74,048	55
E	E	Retaining Walls .. .	688,073	80	688,073	80	—	
F	F	Permanent Way, including storage and transport of materials ...	246,092	45	396,947	67	150,855	22
G	G	Switches and Crossings ...	7,560	0	10,640	0	3,080	0
H	H	Fencing	300	0	20,000	0	19,700	0
I	I	Level Crossings	1,750	0	5,750	0	4,000	0
J	J	Metalling Roads	8,002	0	16,848	0	8,846	0
K	K	Stations, including station machinery	219,111	31	362,554	14	143,442	83
L		Workshops	—		61,514	52	61,514	52
M	L	Reserve Quantities	83,250	0	138,050	0	54,800	0
		Price of Construction—Rs	4,753,817	8	5,437,952	78	684,135	70
N	M	Maintenance	76,191	75	76,200	0	8	25
		Total Price of Work included in Schedule No. 1 ... Rs.	4,830,008	83	5,514,152	78	684,143	95

Schedule No. 2.

Comprising the items the cost of which under a Contract similar to that for the Nánu-oya Railway would have to be borne by Government.

Distinctive Letters as per present Estimate.	PRESENT ESTIMATE. Description of Work.	Price of Manufacture in England.	Freight &c., taken at £1 10s. per ton.	Carriage from Colombo to Nánu-oya at Rs. 12 per ton.	Total amount of Present Estimate, May, 1885.	Amount of Estimate No. 4, being (see paragraph 8 of report) the same as that of Estimate No. 3 of June, 1880	Increase.	Decrease.
		£. s. d.	£. s. d.	Rs. cts.	Rs. cts.	Rs. cts.	Rs. cts.	Rs. cts.
	(N.B.—Rupees are taken at 1s. 7d. each.)							
O	Telegraph, at Rs. 500 per mile	—	—	—	12,698 75	14,843 0	—	2,144 25
P	Land and Compensation	—	—	—	61,875 0	61,875 0	—	—
Q	Engineering, Supervision, and Administration, at Rs. 14,000 per mile	—	—	—	355,561 50	241,162 0	114,399 50	—
R	Wrought Iron in Bridges—344 tons, 14 cwt., 1 qr., 12 lb., at £14 per ton	4,826 1 0	517 1 6	4,136 61	71,628 71	65,102 39	6,526 32	—
S	Cast Iron in Bridges—8 tons, 10 cwt., at £14 per ton ...	119 0 0	12 15 0	102 0	1,766 21	4,825 0	—	3,058 79
T	Rolling Stock	—	—	—	303,644 75	577,544 0	—	273,899 25
U	Permanent Way Steel Rails (72 lb. per yard), tons 3,114·33 at £6 per ton	18,686 0 0	4,671 10 0	37,372 0	332,414 10	387,200 0	—	54,785 90
V	Permanent Way Steel Guard Rails (485 lb. per yard), tons 396·60 at £6 per ton	2,379 12 0	594 18 0	4,759 20	42,331 83	50,063 0	—	7,731 17
W	Fastenings of all sorts, say 300 tons at £14 per ton ...	4,200 0 0	450 0 0	3,600 0	62,336 84	57,900 0	4,436 84	—
X	Switches and Crossings 27 sets at £25 each (weight taken at 1½ ton each)	675 0 0	60 15 0	486 0	9,779 68	12,825 0	—	3,045 32
Y	Baltic Sleepers, 46,490, at 3s. 6d. each (Freight £1 10s. per 13 sleepers: carriage from Colombo to Nánu-oya, Rs. 12 per each 13 sleepers)	8,135 15 0	3,576 3 0	42,913 85	190,853 64	89,692 22	101,161 42	—
Z	Contingencies	—	—	—	75,000 0	—	75,000 0	—
	Total Price of Work included in Schedule No 2—Rs.	—	—	—	1,519,891 1	1,563,031 61	301,524 8	344,664 68

Summary of Estimates.

	Amount of Present Estimate— May, 1885		Amount of Estimate No. 4— April, 1884.		Decrease.	
	Rs	cts.	Rs.	cts.	Rs.	cts
Amount of Schedule No. 1 .. .	4,830,008	83	5,514,152	78	684,143	95
Amount of Schedule No. 2	1,519,891	1	1,563,031	61	43,140	60
Total ...	6,349,899	84	7,077,184	39	727,284	55
Total Decrease ..	—		—		727,284	55
	£ s. d		£ s. d		£ s. d.	
In £ sterling taking rupees at 1*s.* 7*d.* each ...	502,700 8	1	560,277 1	11	57,576 13	10
					Saving per mile.	
	Rs.	cts.	Rs	cts.	Rs.	cts.
Giving a mileage rate for 25 miles 31·78 chains ...	250,023	12	278,659	47	28,636	35
	£ s d.		£ s d.		£ s. d.	
Equal to a mileage rate in [illegible] sterling ..	19,793 9	11	22,060 10	9	2,267 0	10

I consider the foregoing estimate, which, it will be observed, is at the rate of Rs. 250,023 12 per mile, to be ample in every particular, and to be one which will afford a very fair margin of profit to a contractor.

72. I stated in my letter to your address, No. 199 of 4th November, 1882, that from an examination of the section of the line I believed that a very sensible reduction of the cost of the first 6½ miles could be effected; and in this opinion I am confirmed from my recent examination of the trace on the ground. The alterations I would suggest are not of such a nature as would involve the delay attendant upon seeking for a new trace throughout, the general direction of the present trace being, I think, subject to the same limitations as regards curves and gradients, the best and indeed only practicable one, and they would therefore only include slight deviations from it at certain points with the view of better balancing the contents of the cuttings and embankments, and of reducing the masonry, and, in the event of the construction of the line being sanctioned, alterations of this nature can be easily made by the Engineers who would then be on the ground, without inconvenience and without causing the slightest delay to the work.

73. In accordance with the instructions contained in the 5th paragraph of your communication No. 25 of 3rd March last, I beg to submit my views upon the feasibility of carrying out the line Departmentally and upon the desirability, in that case, of the employment of pioneers and prisoners thereon.

74. One great advantage of the contract system is popularly supposed to be that the Government is aware at the commencement of the work of the amount of expenditure to which it is committed; this under a schedule contract, however, is not the case, as under a contract of that class the contractor receives payment for the amount of work he actually does at his schedule rates, and in the event of the Engineer's estimate of the quantities of the various descriptions of works required being under-stated, the increased expenditure falls upon the Government and not upon the contractor, who, if his prices for each unit of measurement be sufficient, gains more profit the more work he performs.

75. The past history of railway contracts in Ceylon shows, moreover, that the payments to a contractor are not only liable to increase from this reason, but also by the grant to him of premiums, either because the work has turned out unprofitably, or because the completion of the line is desired before the contract date, or on account of some changes or alterations in design made subsequently to the contract being signed, owing to which the contractor alleges his anticipated amount of profit has been lessened.

The payments to the contractors for the Nánu-oya railway under this latter heading alone have been Rs. 50,000 for the adoption of the St. Andrew's Gap deviation, Rs. 29,834 for the substitution of creosoted for hardwood sleepers, and Rs. 242·87 as their loss of profit on account of the supply of a crane by the Government, which, in the terms of the contract, should have been supplied by them. All these payments would have been saved to the Government had the line been made Departmentally.

76. The contactors for the Nánu-oya railway also received the sum of Rs. 12,000 for opening the line to Taláwakelé in advance of the contract date, and I suppose that even they would not seriously contend that this sum actually represented their increased expenditure on this account, and if not, the balance remaining, which I imagine formed a large portion of it, must be viewed as a bonus or free gift to them, which, under the Departmental system, would have been saved to the Government.

77. It must be remembered that much of the uncertainty regarding the actual cost of the railway would be removed if it were executed under a strictly lump or guaranteed contract, where the contractor agrees to make the line complete, and to run the risk of all contingencies for a fixed sum; but in this case the employment of a contractor of the highest standing, and possessing the most ample resources is essential; and it is most unlikely that a contractor of this class would tender on these terms for a railway like that to Haputalé, on which the works are very heavy, and which runs through an uninhabited country, without setting down so large a margin to meet every possible contingency, that his price for the work would probably much exceed my estimate.

78. I consider that even under a schedule contract a tenderer for the Haputalé railway would probably place a considerable margin on his prices to meet contingencies, which, from my knowledge of the district traversed, are not likely to occur to any large or unforeseen extent; and therefore, having regard to the special circumstances of the Haputalé extension, I do not hesitate to strongly recommend that Government should run the risk of these contingencies and make the line departmentally.

79. If it be decided to make the line departmentally, a very large discretion must be allowed to the Chief Engineer, who should be as much as possible unfettered as regards the prices paid and the staff required. The District Engineers should be experienced men, having special knowledge of the construction of railways in hilly countries. There should be a special store under a proper storekeeper at some point upon the work, whence all materials ordinarily required for it could be drawn as desired without the delays that must attend upon requisitions on the Colonial Store at so great a distance from the line, which might, however, still be drawn upon in the event of any article needed not being in stock.

Should the plan of executing the work departmentally be entertained, I should, if required, be prepared to submit a plan of operations detailing the approximate staff required, and their duties.

80. If the departmental system be adopted, I think there is a reasonable hope of a very sensible reduction upon my estimate for the works included in schedule No. 1, for the following reasons:—

(a) There is no doubt but that the Nánu-oya railway contract has been a profitable one; from my general knowledge of the prices paid by the contractors, I should estimate this profit at least at 10 per cent., and I think that had more foresight been exercised, and their general administration of the work been better, a much larger profit might have been realized.

(b) I fail to see any reason why work should not be executed as cheaply by Government as by a contractor, if the engineers are experienced men and if they are allowed the same discretionary powers as those granted by a contractor to his agents, and the task or piecework system be, as it should be whenever possible, adopted, especially in view of the fact that at the commencement of a work a contractor, for financial or other reasons, not uncommonly endeavours to take in hand the items for which he has the most remunerative prices, although his profit on the work as a whole may ultimately be lessened thereby. It is needless to say that no considerations of this nature would have any weight with an engineer in carrying on the work departmentally, as he would in that case be solely influenced by the ultimate results he desired to obtain.

It is however possible that prices upon the Haputalé railway would be generally somewhat higher than on the Nánu-oya line. As regards lime, cement, and explosives, this would certainly be the case, and I therefore set down a reducton of only 7½ per cent. upon the cost of the works included in schedule No. 1, though I think it very possible a much more favourable result might be obtained, as all that should be counted upon with any degree of confidence by the adoption of the departmental system.

The amount of this schedule, including maintenance for one year, thus becomes Rs. 4,467,758·83, and if to this be added the amount of schedule No. 2 as above, the total estimated cost of the railway fully equipped for traffic, if executed on the departmental system—namely, Rs. 5,987,649·84—is arrived at; this sum is equal (rupees being taken at 1*s.* 7*d.* each) to £474,022, giving a mileage rate of Rs. 235,760, equal to £18,664.

In this estimate no account is taken of the additional savings referred to in paragraphs 31, 46, and 47 of this report. Should these anticipated, or others equivalent to them, be realized in construction, as I confidently hope will to a large extent, if not completely be the case, the cost of the line will be reduced by a further sum of Rs. 257,588, or say by Rs. 10,000 per mile.

81. I think the employment of pioneers upon the work would be very desirable, as rendering the engineer to a large extent independent of ordinary masons, who might otherwise demand exorbitant rates, and consider that there is no reason why the cost of work executed by the pioneers, if they are properly tasked and supervised, which is of course essential, should compare unfavourably with the cost of work executed by other masons, inasmuch as the non-effective charges attendant upon the employment of that force should be quite, if not more than, balanced by the saving arising from their skill as experienced masons and their superior organization.

82. As regards the employment of prisoners, I am not quite so clear; the cost of their *work*, however, if they are properly tasked, does not, I understand, exceed that of free labour, if the cost of the necessary guards, &c., and all other extraneous expenses be otherwise charged.

The principal difficulty would be in providing quarters for them, which must, I imagine, be more securely built, in order to avoid any risk of their escaping, than those ordinarily occupied by coolies or other workmen; and there being very few, if any, single works upon the extension of sufficient magnitude to provide employment for any considerable number of men for more than a few months, or say a year at the outside, the recurrence of expenditure for the erection of these quarters would, I fear, unless otherwise charged, render their work very unprofitable.

Harbour work differs greatly from railway work, insmauch as in the former the expenditure is incurred at only one or two points, and is possibly spread over several years at them, while on railway works the expenditure is incurred at several points at once, which are constantly changing as the work proceeds.

Having stated this difficulty, I leave it to the Government, as I have had no personal experience of the terms upon which prisoners are employed upon public works, to decide whether it be chimerical or otherwise, and, if the latter, to determine upon the possibility of its removal, on which the remunerative employment of prisoners upon the Haputalé railway depends.

83. I would however point out that if all the pioneers be employed, and that even if it were possible to employ also all the prisoners in Ceylon upon the work, which is of course out of

the question, it would be necessary in order to complete it within a reasonable period, to largely reinforce this staff of workmen by other labour.

The strength of the Pioneer force on 31st December, 1883, appears from the Administration Report of the Director of Public Works for that year to have been 511 men, while the average daily number of all the prisoners in Ceylon during 1883 appears from the Administration Report of the Inspector-General of Prisons for that year to have been 2,688·82.

84. I estimate that to make the extension to Haputalé, if the works be vigorously proceeded with, should occupy about 3½ years, and it would be of course to the manifest advantage of Government to carry on the work as rapidly as possible without unduly raising the rates of labour, as a return for the expenditure entailed is thus sooner derived and the cost of the supervising staff of engineers and others continues for a less time.

To effect this end the bulk of the earthwork must be finished in 2½ years, equal to say 750 working days, and to do this I estimate that an average number of 3,500 coolies must be continuously employed upon it for that period, without taking into account the labour force that must be employed upon the construction of the culverts and bridges, which must advance simultaneously with, or even a little in advance of the earthwork, and the miners, blacksmiths, carpenters, platelayers, and others who must also be engaged.

Upon the whole, therefore, to complete the railway within 3½ years, I should roughly estimate that an average daily effective labour force of about 4,500 to 5,000 persons must be continuously employed.

85. This report is accompanied with full and detailed schedules and lists comprising all the work included in Schedule No. 1 of the Estimate, and also with a tracing of the longitudinal section on 26 sheets, giving details of the distribution of the earthwork, as well as with 21 tracings showing the more important modifications in the various structures, stations, &c., now proposed. A full list of these documents and drawings is appended.

86. I have not thought it necessary to prepare fresh drawings of the masonry of the bridges, as the drawings Nos. 16, 17, and 19 to 27 inclusive, submitted with my letter No. 66 of 16th June, 1880, subject to the modifications suggested in paragraph 24 of this report, may be taken as showing sufficiently the designs proposed for these works, while the contract drawings prepared for the iron girder bridges and permanent way on the Nánu-oya railway will be equally applicable for similar works upon the Haputalé railway, subject to such, if any, small modifications as the Consulting Engineer may be able to suggest in them with a view to economy.

87. Finally, while regretting that I have been unable to effect a greater saving in the estimated cost of construction of the extension, I would express the hope that the modifications I have suggested may receive the approval of the Consulting Engineer, and the results arrived at may not be deemed to be altogether unsatisfactory.

I have, &c.,

F. J. WARING.

APPENDIX A.

The CHIEF RESIDENT ENGINEER, Railway Extension, to the Hon. the COLONIAL SECRETARY.

No. 74. Dimbula, 7th April, 1884.

Railway Extension to Haputalé.

SIR,—IN continuation of my letter No. 199 of 4th November, 1882, I have the honour to submit for the information of His Excellency the following revised estimate of the cost of the construction of the proposed railway from Nánu-oya to Haputalé.

2. At the date of my letter No. 66 of 16th June, 1880, with which I forwarded my estimate for the construction of this extension, I was unaware of the prices at which Messrs. Thomas Nowell and Co. had tendered for the railway between Náwalapitiya and Nánu-oya, and I had therefore to enter such prices for the various works as were, in my opinion, sufficient for them; working the quantities out at these prices, the cost of construction amounting to Rs. 5,899,789 31 is arrived at.

3. At the date of my letter No. 199 of 4th November, 1882, I did not consider that the works of this railway were sufficiently far advanced to justify me in altering these assumed prices, which are therefore those upon which the revised estimate, as given in paragraph 7 of that letter, was based.

4. The case is now different, and the works of this railway are now so nearly completed that I consider I am warranted in assuming that Messrs. Thomas Nowell & Co.'s prices for this railway are not only sufficient for the work, but also that they afford a fair margin of profit to the contractors.

5. Calculating, therefore, the quantities of work of various descriptions given in the appendices to my letter No. 66 of 16th June, 1880, at Messrs. Thomas Nowell & Co.'s prices for this railway, the estimated cost will be, excluding maintenance, Rs. 5,437,952·78½, or, if maintenance for one year be included, Rs. 5,514,152·78½, against the corresponding amounts as given in the appendices above quoted of Rs. 5,899,789·31 and Rs. 5,930,266·01, showing a saving of Rs. 461,836·52½ and Rs. 416,113·22½ respectively.

6. Dealing now with the cost of construction only, omitting any reference to maintenance, it appears that the line from Nánu-oya to Haputalé as originally laid out, can at Messrs. Nowell & Co.'s prices be constructed for Rs. 5,437,952·78½. There is, however, no reason why the saving of Rs. 115,000, as given in paragraph 7 of my letter No. 199 of 4th November, 1882, should not be effected upon this reduced amount. Deducting therefore this sum, the total cost becomes Rs. 5,322,952·78½. And upon the following assumptions, which I consider I am justified, in this particular case, in making—

(a) That the profit of the contractors upon this railway is not less than the moderate rate of 10 per cent.;

(b) That Government would be able to carry on the work as economically as a contractor could;

(c) That the rates for various descriptions of work upon the Nánu-oya to Haputalé railway will not exceed those for the corresponding works upon this railway;—

there appears to be no reason why, if the railway to Haputalé be constructed departmentally, the sum of Rs. 532,295·28, being 10 per cent. of this reduced cost, should not be also deducted, thus decreasing its cost to Rs. 4,790,657·50½. To this amount, however, should be added (say) Rs. 120,000 to cover the cost of construction of about 30 miles of service road, at Rs. 4,000 per mile, thus raising my estimate for the construction of the works which under the contract system would be executed by a contractor, to Rs. 4,910,657·50½, or Rs. 989,131·80½ less than the amount given in the appendix to my letter No. 66 of 16th June, 1880.

I have, &c.,

F. J. WARING.

APPENDIX B.

(1).—THE CHIEF RESIDENT ENGINEER, Railway Extension, to the GENERAL MANAGER of the Ceylon Government Railway.

No. 92. Dimbula, 7th March, 1885.

Extension of the Railway to Haputalé.

SIR,—HAVING been desired by Government to submit a revised estimate for the above work, especially embodying, among other matters, a reconsideration of the station accommodation, more particularly the provision for passenger traffic, in which the *greatest economy* is desirable on account of the smallness of the receipts expected to be derived therefrom as compared with those anticipated from the goods traffic, I have the honour to request the favour of your opinion at an early date upon the following points :—

A.—The accommodation both for goods and passenger traffic at Ambawella and Idulgashéna stations. At these stations passenger stations and goods sheds of the class adopted at Wattawala are at present provided for in the estimates.

Reference to Sessional Paper XIV. of 1878 (being the report of the Commissioners appointed to inquire into the probable traffic of the Nánu-oya to Haputalé railway) will show that but very little traffic is expected at these stations, and I think, therefore, that a ticket office (say) 16 feet by 12, a general waiting room of the same dimensions, and a ladies' waiting room (say) 12 feet square, a corner of which might be partitioned off to serve as a water-closet, would meet all requirements. I shall be glad to know whether you concur in this.

Are lamp and storeroom at these stations in your opinion required ; and, if so, would small rooms (say) about 8 feet by 6 feet each, serve the purpose ?

As regards accommodation for goods traffic, which at these stations is likely to be but small, I think sheds of similar design to that at Wattawala, which can readily be extended hereafter if needed, but only 30 feet in length instead of 60 feet long as at that station, would serve in the first instance. A corner of the shed could be partitioned off as an office for the goods clerk.

As these stations are remote from cart roads, and owing to the small amount of traffic expected thereat, as well as from their situation with regard to the adjacent estates, it is not likely that cart roads will for some time, if ever, be made to them ; no facilities are afforded for the removal therefrom of very heavy goods, and I presume therefore that platform cranes will not be required.

B.—Paṭupola summit station. At this station no traffic is expected, and it has been designed solely as a watering station for the engines, as well as for the station where the additional engine necessary in ascending from Haputalé Pass could be detached.

The accommodation provided in the present estimate is :—A tank house and tank with water column, one engine house for four engines with ashpits, one engine turntable, one engine driver's house, a residence for the clerk in charge, and lines for pointsmen and firemen.

The favour of your opinion is invited as to the necessity for this accommodation at this spot ; and the following table showing the distances of the stations upon this extension apart, measured from centre to centre of the station grounds, together with the average gradients between them, may assist you in giving it ;—

Stations.	Distances apart measured from centre to centre of Station grounds.			Average Gradients.
		Miles.	Chains.	
Nánu-oya to Ambawella	...	8	76·17	... 1 in 67·69 rising
Ambawella to Paṭupola summit	...	2	53·12	... 1 in 62·26 rising
Paṭupola to Idulgashéna	...	9	13·72	... 1 in 48·26 falling
Idulgashéna to Haputalé	...	4	40·13	... 1 in 47·97 falling
Total	...	25	23·14	

In any case, even if the engine house and turntable be omitted, I consider that, on account of the distance of this station from Idulgashéna and the severity of gradients between them, the tank and other watering arrangements should be retained, and, to provide against contingencies which might seriously affect the working of the traffic, the engine house also, although it is a question whether a house for two would not suffice..

C.—Haputalé station. At this station the bulk of the traffic, both goods and passenger, of the extension is expected to be derived.

The passenger station at present provided for in the estimates is of the type of that at Hatton ; the accommodation for passengers may here, I think, in the first instance be reduced to something of the same character of that now proposed for Ambawella and Idugashéna, but perhaps on a somewhat larger scale.

This being a terminal station, I shall feel obliged by your informing me whether, in your opinion, a roof over the platform and passenger siding, as at Hatton, which will serve as a protection from the weather to the passenger carriages, is or is not essential.

One engine house for 4 engines with ashpits, one engine turntable, and watering arrangements for the engines, are provided for at this station in the present estimates ; accommodation of this description

is of course essential, but the amount of it may be perhaps subject to alteration in the event of a corresponding alteration being deemed desirable by you at Paṭupola station.

2. The favour of your opinion upon the questions abovementioned is requested at your earliest convenience, the matter being *most pressing.*

I am, &c.,
F. J. WARING.

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(2).—The CHIEF RESIDENT ENGINEER, Railway Extension, to the GENERAL MANAGER, Ceylon Government Railway.

No. 106. Dimbula, 13th March, 1885.

SIR,—IN continuation of my letter No. 92 of 7th instant, I have the honour to request you will have the goodness to favour me with your views as to the necessity or otherwise of additional workshop accommodation, in the event of the line being extended to Haputalé Pass; and should any such accommodation be, in your opinion, required, as to its approximate extent and the place where it should be provided.

2. In considering this question, it should be borne in mind that the coffee crop in Uva is not, I understand, picked at the same time as that on this side of the dividing ridge, and that therefore I believe the bulk of the down traffic on the Haputalé extension would occur in the months between April and December, when (see your Administration Report for 1883, Appendix B.) the goods traffic on the open line is much less than in the first three months of the year.

3. This consideration will of course affect the additional amount of rolling stock required for the Haputalé extension, upon which I shall also be glad to have your opinion, and necessarily, therefore, the workshop accommodation required for its repairs.

I am, &c.,
F. J. WARING.

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(3).—The GENERAL MANAGER, Ceylon Government Railway, to the CHIEF RESIDENT ENGINEER, Railway Extension.

No. 48. Colombo, 12th March, 1885.

SIR,—IN reply to your letter No. 92 of the 7th instant, I have the honour to state:—

(a) That from your report I should think the limited accommodation you propose for Ambawęlla and Idulgashéna stations would suffice, but the general waiting room in each case should be rather longer. The small lamp and storerooms are necessary; also of course a closet and urinals for men.

The goods sheds as proposed would also doubtless meet the requirements, but it is not necessary to partition off a portion for the clerks. The windows should be fitted with iron bars, the openings near the roof should be small, and the fastenings of the doors somewhat different from those of the sheds already constructed.

The supply of platform cranes might be deferred.

(b) The accommodation provided in the estimate for Paṭupola signal station will, I think, be required, except that the shed at first might be constructed for two engines, but capable of being extended for four, if required.

(c) Assuming that Haputalé will be a terminal station, I would propose that it be of a different type from Hatton, and more after the style, in a smaller way, of the Colombo and Kandy termini—i. e., with the station buildings facing the approaching train and with two platforms and three lines running at right-angles from the front of the buildings,—the whole to be under cover.

The arrangements with regard to the engines are, I think, necessary.

I am, &c.,
W. T. PEARCE,
General Manager.

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(4).—The GENERAL MANAGER, Ceylon Government Railway, to the CHIEF RESIDENT ENGINEER, Railway Extension.

No. 54. Colombo, 17th March, 1885.

SIR,—WITH reference to your letter No. 106 of the 13th instant, I would much rather defer the question of the additional rolling stock which would be required in the event of the line being extended to Haputalé, until the section to Nánu-oya has been opened and the re-organized train service over the whole system has been brought into operation.

This delay will also admit of my making a careful examination of the proposed trace, which I have hitherto been unable to do by reason of pressure of work in the office.

Speaking generally, however, I think we should require but few, if any, extra goods wagons for the Haputalé section, but there would be need of additional passenger rolling stock, and perhaps some more new engines. Slight accommodation in the shape of workshops would suffice, as most of the repairs would be done at Núwalapiṭiya. A double engine shed to hold six engines, and the other usual requirements for a terminal station, would have to be provided for.

I am, &c.,
W. T. PEARCE,
General Manager.

APPENDIX C.

The CHIEF RESIDENT ENGINEER, Railway Extension, to the GENERAL MANAGER, Ceylon Government Railway.

No. 175.—*Urgent.* Dimbula, 30th April, 1885.

SIR,—REFERRING to your letter No. 54 of 17th ultimo, I have the honour to annex a draft estimate for the rolling stock required for an extension of the railway to Haputalé Pass, on the adequacy of which I would request the favour of your opinion.

2. I do not expect at this date that you should state exactly what vehicles of each description you consider will hereafter be actually required, but shall feel obliged if you will inform me in general terms whether you consider the estimate sufficient, both as regards the prices which, where possible, I have obtained from the sanctioned estimates for this railway, and number of each class of vehicle necessary, and, if not, to acquaint me in what respects the annexed estimate should be revised.

3. The favour of a reply at your earliest convenience will greatly oblige.

I am, &c.,

F. J. WARING.

REVISED ESTIMATE of Rolling Stock required for the Nánu-oya to Haputalé Railway.

Description of Work.	Rate for each. Rs.	cts.		Total Amount. Rs.	cts.
Four Locomotive Engines similar to those in use upon Nánu-oya railway ...	40,000	0	...	160,000	0
Four 1st and 2nd class composite double bogie carriages	9,616	83	...	38,467	32
Two 3rd class double bogie carriages ...	7,278	49	...	14,556	98
Five 3rd class and brake van composite carriages	7,779	74	...	38,898	70
Three double bogie goods brake vans .	4,556	79	..	13,670	37
One horse box	2,716	0	...	2,716	0
One carriage truck, covered	1,985	0	...	1,985	0
Ten covered goods wagons upon 4 wheels ...	1,850	0	...	18,500	0
Four deep-sided goods wagons upon 4 wheels...	1,300	0	...	5,200	0
Four low-sided goods wagons upon 4 wheels ...	1,200	0	...	4,800	0
Two timber swivel wagons upon 4 wheels ...	1,500	0	...	3,000	0
One cattle wagon upon 4 wheels ...	1,850	0	...	1,850	0
		Total	...	303,644	37

The GENERAL MANAGER of the Ceylon Government Railway to the CHIEF RESIDENT ENGINEER, Railway Extension.

No. 97. Colombo, 8th May, 1885.

SIR,—WITH reference to your letter of the 30th April, and to our previous conversation, the estimate you have forwarded may be considered a fair one, so far as can be judged at this time.

I am, &c.,

W. T. PEARCE,
General Manager.

APPENDIX D.

LIST of Documents and Drawings accompanying this Report.

[*Not printed.*]

No. 5.

Colonel the Right Hon. F. STANLEY to Governor the Hon. A. H. GORDON, G.C.M.G.

Ceylon.—No. 153. Downing-street, 28th October, 1885.

SIR,—I HAVE the honour to acknowledge the receipt of your despatch No. 265 of the 19th of June, enclosing a report by Mr. Waring upon the proposed Haputalé extension, together with returns compiled to show the traffic which may be expected upon this section, and expressing your own strong opinion that the work should be undertaken by the local Government without delay.

2. You promise further despatches bearing on the subject, but as I have had the advantage of a personal discussion with you, at which you have ably set forth the considerations which lead you to advocate the immediate construction of this important work, I proceed to explain the opinion I am disposed to form on this proposal, which I do not doubt will be fully weighed by yourself, you advisers, and the Legislative Council of the Colony.

3. You have very properly stated in the 15th paragraph of your despatch that, notwithstanding the strong claims of the Province of Uva to share the benefits of railway communication, and the political considerations which would dispose you to commence and carry out this work, even if you were less satisfied with its financial prospects, you prefer to base your advocacy of it solely on the financial results with which you believe it will be attended; and it is obviously from a financial point of view that the question must be decided. Lord Kimberley, in reply to a similar proposal, wrote as follows in his despatch of the 16th of November, 1882:—"The very "serious depression in the Colony, and the great diminution of the Colonial revenue which has "now been continuous for no less than five years, render it, in my opinion, impossible, consis-"tently with ordinary financial prudence, to embark in so heavy an outlay."

These words appear to me to possess even greater force at the present time than when they were written.

The depression of the Colonial revenue still continues, and the annual receipts are barely sufficient to allow the ordinary administration of the Colony to be efficiently carried on. There is, as yet, no evidence that the depression is passing away. Indeed it is stated that the terms on which the arrack farms have recently been re-let involve a further considerable loss in this branch of the revenue; at the same time, as shown in Lord Derby's despatch of the 17th of April last, the charge for loans has been constantly on the increase.

4. In these circumstances, it must surely be unwise to embark on a work, the cost of which must be very great even at the lowest estimate, and on the assumption that the Consulting Engineer is able to give his approval to the revised estimates now furnished. It must be remembered that even if the line eventually proves remunerative, it cannot be completed or furnish any receipts for some years to come; whereas the local Treasury will in the meantime, at a period of great financial trouble, be hampered with an additional load of interest on debt.

Nor can the ultimate success of the line be regarded as beyond all doubt. Its success mainly depends upon agricultural produce, the future of which is necessarily most uncertain; and if the returns now collected promise well, it must be borne in mind that the estimates framed for the Náuu-oya section, which promised a fair return on the outlay, have proved to be altogether misleading. The latter section, moreover, was sanctioned after a year of exceptional prosperity, when the revenue of the Colony seemed to justify an undertaking of considerable magnitude: whereas the Haputalé extension, if now undertaken, would be at the best a speculation involving a certain large and immediate expenditure and an uncertain prospect of eventual success.

5. These are, in general terms, some of the objections which appear to me at first sight to make it necessary to use the utmost caution in dealing with this proposal, and I proceed to offer some further observations on points of detail.

In doing so, I desire to take the most favourable view of the scheme as it presents itself in your despatch. Putting aside the subsidiary scheme for the extension of the Coast line, I note that the revised estimates of Mr. Waring for the Haputalé extension show a total capital expenditure of Rs. 6,349,899, and, if the work is executed departmentally, of Rs. 5,987,649. I am ready to assume, for the moment, that these revised estimates may be accepted as satisfactory, that it will be found desirable to execute the work departmentally, that the contribution to the sinking fund may be deferred until the completion of the line (say) three years hence, and, finally, that the loan can be raised at a charge not exceeding 4 per cent.

6. The amount of interest during construction will, of course, depend upon the rapidity with which it is found necessary to issue the several instalments of the loan, but some charge will be incurred from the commencement of the works. It will be a progressive one, and when the whole amount has been borrowed, it will have reached Rs. 239,504, (assuming the work to cost Rs. 5,987,649,) and from the date of the commencement of the contribution to the sinking fund of one per cent. a further annual charge of Rs. 59,876 will fall due.

Consequently, as soon as the line is completed, and during the whole currency of the loan, a total annual charge of Rs. 299,380 will have to be met. It is therefore of vital importance that the Legislative Council and the Secretary of State should be satisfied as to the correctness of the data furnished by the General Manager, and the more so as your own advocacy of the scheme admittedly is based on the sufficiency of these figures.

7. In considering this question, I have been placed at some disadvantage by the stipulation that the estate returns are to be treated as confidential, as I have been unable to have them properly examined and analysed, but, assuming their accuracy, I have to point out that they are based on data extending over a period of only three years, obviously too short for the deduction of trustworthy averages. In the next place, and with reference to the important question of rates as bearing on the existing means of transport, the General Manager assumes that at a rate of Rs. 33·03 per ton he will secure the whole of the down traffic But this rate is higher than the existing minimum cart rates in all the districts, and higher also than the average cart rates in two out of the three districts to be served by the railway. Are the undoubted advantages of greater security and rapidity of transport sufficient to induce the planter to pay to the railway Rs. 33·03 per ton for carrying his produce from Haputalé, when, as I gather from the returns, he can cart it at a cost of only Rs. 27?

If not, a considerable reduction will have to be made in the estimated earnings of the line.

8. One consideration to which you very properly attach importance is the probability of the new line being able to compete with the existing cart traffic. So far as regards the up traffic, I see that you assume that there can be no doubt of the success of the line in this respect, but it appears to me that the existing lines have not altogether succeeded in their endeavour to compete with the carts, and therefore the conclusion at which you arrive seems open to question.

9. I do not find that the up cart rates are anywhere given in the General Manager's returns, so that it is impossible to make any comparison between them and the proposed railway rates for this class of traffic; and I have nothing to guide me but the experience of the existing line, which does not seem to support your conclusion, or that of the Traffic Manager, who anticipates that from the moment the completed line is open for traffic the cart competition will cease, and he will secure the whole of the traffic both ways.

10. In the 8th paragraph of your despatch you also observe that no account has been taken of increase of traffic due to future improvement in the coffee crop, nor of tea or passenger traffic. But, on the other hand, no account has been taken of the possibility that the decrease in the yield of the coffee crop in the Haputalé district during the last few years may still continue. That decrease is stated in the Revenue Administration Report on the Central Province for the year 1884 to have been very great, viz., a reduction between the years 1873–1883 of from 11

cwt. to the acre to 4½ cwt. to the acre. Seeing that the plantation returns which you now send me for the past three years indicate no recovery whatever in this industry, the figures which I have quoted appear to have a very serious significance.

11. As regards the tea traffic, you are clearly right in not taking into consideration a class of traffic which must be regarded at present as speculative. Neither would it be prudent to count upon any material passenger earnings, if the line is rightly stated by Mr. Waring in the 10th and 77th paragraphs of his report to run through an uninhabited country.

12. Again, as regards expenditure, the working expenses are estimated at 50 per cent. of the gross receipts, but I find that the working expenses of the section of the Nánu-oya railway, which is open to traffic, are over 70 per cent. of the gross receipts, and the Haputalé extension is, I believe, quite as difficult a line as the Nánu-oya, and therefore likely to be as costly to work.

It may be urged, however, that the circumstances of the Nánu-oya line are exceptional, inasmuch as its receipts are much below the anticipated yield. But, looking to the fact that the working expenses on other important sections of the Ceylon Government Railways—e. g., the Náwalapitiya and Kalutara lines—have varied during the last few years from 51 to 79 per cent., I do not think that in the case of this specially difficult line it will be safe to count on working expenses being kept down to 50 per cent.

13. Hitherto, in examining this question, I have assumed the sufficiency of Mr. Waring's revised estimate. I shall lose no time in submitting it to the Consulting Engineer, and in the meantime I would only remark that if Mr. Waring's expectations of saving are not realized, the General Manager's calculations will be seriously affected, for with over-estimated receipts and under-estimated capital and working expenses, the anticipated profits will not be made.

But, supposing that money were available at the present time for carrying on a large public work, it appears to me that other works require at least as much consideration, even from a financial point of view, as the proposed railway extension. The irrigation works promise a steady increase of revenue and diminution of expenditure in relief of poverty and sickness. The defence of Colombo has, in the light of recent events, been recognized as required to give due security to the trade of the Island. The completion of the harbour at Colombo is another public work to which the community appear to attach great importance.

These subjects, equally with the railway, should engage the attention of the Legislative Council.

14. In dealing with this question of Railway Extension, I have not forgotten that it is one which a considerable section of the Ceylon public regards with great interest, and which has been pressed on my predecessors on several occasions of late years. It would therefore be a source of much gratification to me if I could feel myself justified in sanctioning an undertaking which has been long and keenly desired; but before doing so it is only my duty to satisfy myself, and to afford the Legislative Council an opportunity of doing the same, on these two important points, viz., Is this work one which should undoubtedly take precedence of other works such as those I have above mentioned? And if this be so, are the financial prospects of the line such as to secure the Colonial revenue against a heavy liability?

15. It will be very satisfactory if you are able to furnish me with a conclusive answer to these questions, but you will of course bear in mind that I do not contemplate that the few public works which have been sanctioned on the ground of their urgent necessity, and least of all those undertaken to meet the requirements of the native population, should be abandoned in order to provide from public revenue for the charges on the Haputalé extension.

16. If, however, it should eventually appear that the Government of Ceylon cannot with ordinary prudence commit itself to this railway extension, I would, in my strong desire to interpose no obstacle to the wishes of its advocates, reconsider the decision already given by my predecessors as regards the construction of this line by a Company.

It would however have to be executed without any Government assistance, and, so far as may be possible, the Colonial Government would have to be protected against the obvious inconveniences to be apprehended from the extension of a Government system of railway by such means.

I have, &c.,

FRED. STANLEY.

XII.—1885.

PROPOSED FORTIFICATIONS OF COLOMBO.

REPORT of a SELECT COMMITTEE of the LEGISLATIVE COUNCIL appointed to consider and report on the subject of the proposed Fortifications of Colombo.

Ordered by the Legislative Council to be Printed.

Colombo:
GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1885.

EXTRACT from the Minutes of the LEGISLATIVE COUNCIL dated 2nd December, 1885.

Resolved,—That the following gentlemen be appointed a Select Committee to consider and report upon the subject of the proposed Fortifications of Colombo :—

The Hon. CECIL C. SMITH, Lieutenant-Governor.
The Hon. J. C. McLEOD, Major-General.
The Hon. S. GRENIER, Acting Attorney-General.
The Hon F. C H. CLARKE, Lieut.-Colonel R.A., Surveyor-General.
The Hon. J. VAN LANGENBERG,
The Hon. P. RÁMA-NÁTHAN,
The Hon. R. A. BOSANQUET,
The Hon. R. B. DOWNALL,
} Unofficial Members.

PROPOSED FORTIFICATIONS OF COLOMBO.

THE Committee have duly considered the papers submitted to them on the subject of the proposed Fortifications which Her Majesty's Government require should be undertaken by the Colony if, in the opinion of the Legislative Council, it is deemed necessary that they should be provided.

2. It must be observed, in the first instance, that but few details have been furnished. It is not at all clear as to what sort of attack the Colony is expected to be prepared to meet. And although the cost of the works is estimated by the War Office at £20,820, no information is supplied as to how that sum has been arrived at. The exact sites have not yet even been settled, and the estimate of the contemplated works must necessarily therefore be problematical. Nor is it known what the cost of the respective sites would be, though it is evident that it would reach a large sum, which the Colony would have to defray.

3. Notwithstanding all this, your Committee have no difficulty in advising the Council as to the course to be adopted They recommend that Her Majesty's Government should be informed that, in the opinion of the Legislative Council, there is no such pressing necessity for undertaking the erection of the proposed Fortifications as would justify the Colonial Government in postponing on that account the important Civil works which will tax to the fullest extent the resources of the Colony for the next few years. Further, that although the Legislature does not dispute its liability to share in the expense of providing for the defence of its principal port, it is considered that the Colony is not financially in a position at present to embark in the costly construction and maintenance of the proposed works for Colombo.

CECIL C. SMITH.
J. C. McLEOD, MAJOR-GENERAL.
S. GRENIER.
F. C. H. CLARKE, LIEUT.-COL. R.A.
JAMES VAN LANGENBERG.
P. RAMA-NATHAN.
R. A. BOSANQUET.
R. B. DOWNALL.

Legislative Council Chamber,
Colombo, 9th December, 1885.

XIII.—1885.

DESPATCHES

RELATING TO

THE MILITARY CONTRIBUTION OF THE COLONY.

Ordered by His Excellency the Governor to be Printed.

Colombo:
GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1885.

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MILITARY CONTRIBUTION.

No. 1.

The Hon. A. H. Gordon, G.C.M.G., to the Right Hon. the Earl of Derby.

The Red House,
Ascot, 25th August, 1883.

My Lord,—In another letter of this day's date I have stated that I was desirous to bring under your Lordship's special attention two subjects connected with the administration of affairs in Ceylon, and have entered at length into the discussion of one of them,—the provision of means for the prosecution of works of Irrigation.

2. The other point to which I am anxious to attract your Lordship's most serious notice is the Military Contribution now paid by the Colony, amounting to over £116,000 a year. It appears to me quite impossible justly to effect any other considerable reductions of public expenditure while this burden remains untouched, nor do I think it can justly be maintained in its present form.

3. The rate paid per man is higher than that paid by any other Colony; the amount is in itself out of proportion to the resources of the Island; and the expenditure is confessedly in excess of what the requirements or safety of the Colony demand.

4. To the plea that Ceylon should not pay for its military protection at a higher rate per man than other Colonies, it is replied that, if other Colonies do not at present pay that rate, they at all events *ought* to do so. I am not prepared to admit the soundness of that argument, so long as those other Colonies in which, as in Ceylon, the amount of contribution may be fixed at the will of Her Majesty's Government, continue to be allowed to pay the lower rate, but I have no desire and no need to dwell on that point, for the other two considerations are quite strong enough, without it, to enable me to dispense with its aid.

5. That in the present condition of the revenues of Ceylon the outlay of £116,000 annually, on wholly unproductive and unremunerative expenditure, is altogether disproportionate to its means, is a fact too patent to need argument. Remunerative works, such as irrigation, on which the lives and prosperity of the people at large depend, and such as railway extension, which the interests of the planters and of the Colonial revenue urgently demand, have to be abandoned, postponed, or stinted, while this enormous unproductive expenditure has every year to be exactly met. Originally imposed at a period of unusual prosperity, when the Colony hardly knew how to dispose of its surplus revenue, it is only rational and just that, as account was then taken of the flourishing condition of the Colony in imposing the amount to be paid, its present depressed condition should be equally taken into account now that a revision of the arrangement is demanded.

6. What would be most fair to all parties would be, that, instead of a fixed sum in perpetuity, the Military contribution should be settled from time to time, for periods of five or ten years, taking into account on each occasion the financial position of the Colony at the time.

7. The only valid reason which could be urged for the continuance of so enormous an unproductive outlay would be a conviction of its absolute necessity for the preservation of peace and good order, or as a security against possible dangers. But it is impossible gravely and seriously to make this assertion, nor, as a matter of fact, is it made; the causes assigned for the retention of the present amount of force in Ceylon being usually of a nature wholly unconnected with the interests of Ceylon or the well-being of the Island.

8. The force now stationed in the Island consists of a Major-General and his staff, a small force of Artillery, a few officers of Royal Engineers, a Battalion of the Line; the total establishment amounting to 1,239 officers and men.

9. It must at a glance be evident that this force is either too small or unnecessarily large. If it is apprehended that it may have to cope with armed insurrection, such as took place in 1848, it is manifestly too small, but I imagine that it is not in view of any such contingency that the force is maintained. The recurrence of any such outbreak is improbable, and if it did occur the facilities for telegraphic communication with Madras are such as to render the summons of assistance from thence, (which would in such an event, in any case, be necessary,) easy of immediate transmission. But if it is only as a support to the ordinary Police force, and to encounter with success an accidental riot, such as occurred a few months since at Colombo, that the Military force is retained, it is equally clear that its numbers are unnecessarily large.

10. For my own part, I should consider the wing and head quarter staff of an European regiment amply sufficient for all the requirements of the Colony, nor should I feel the slightest increase of responsibility, or of anxiety, were the garrison reduced to that amount.

11. My proposal, therefore, would be (1) that for the next five years the Colonial contribution per man should be reduced to the same sum as is contributed per man by other Crown Colonies,

in which Imperial troops are partially maintained at Colonial cost; (2) that the force quartered in Ceylon should be reduced to one wing of an European regiment; and (3) that the costly and unnecessary staff now maintained should be discontinued.

I have, &c.,
ARTHUR GORDON.

No. 2.

The Colonial Office to the Hon. A. H. Gordon, G.C.M.G.

Downing-street, 8th September, 1883.

Sir,—I am directed by the Secretary of State for the Colonies to thank you for your letter of the 25th August, and to acquaint you that the question of the large Military contribution paid by Ceylon is forming the subject of communication between him and the Lords Commissioners of the Treasury.

The records of the Colonial Department show that it has long been held in this Office that the Military contribution as at present fixed is excessive, and it is not improbable that the considerable force which is now maintained, (after making provision for the requirements of Trincomalee, which is admittedly an Imperial station,) might safely be reduced; or, if that prove impossible, replaced in whole or in part by some description of Indian troops costing less to maintain.

Lord Derby will be glad to hear further from you on the subject so soon as you may find it convenient after you have assumed the Government, and have consulted your Executive Council and ascertained the public opinion of the Colony on this important question.

I am, &c.,
R. H. MEADE.

No. 3.

Extract from a Despatch of the Right Hon. the Earl of Derby to Governor the Hon. A. H. Gordon, G.C.M.G., dated 1st November, 1883,* embodying Observations upon the Report of the Select Committee appointed to enquire into the Financial Depression existing in the Island.

Military Contribution.—I shall not now attempt to discuss the history of this complicated question, but will simply state that I agree with the conclusions arrived at by the Committee in their temperate and clear summary of the case. I am satisfied that, under the present circumstances, the Colony cannot afford to continue the payments hitherto annually made under this head, and I am in communication with the Lords Commissioners of the Treasury and the War Office, with a view to urging, at any rate, a temporary reduction of a considerable amount. I should have been glad if it had been found possible to diminish the number of troops now stationed in the Island, but this the late Governor has stated that he is unable to recommend. I shall hope to have the advantage of your opinion on this important matter, as soon as you have had an opportunity of examining it on the spot and in consultation with the Executive Council.

When I have ascertained the views of the other Departments concerned, I shall address you further on the subject, and in the meantime I shall include in my calculation of possible retrenchment a minimum of Rs 240,000 under this head.

No. 4.

The Right Hon. the Earl of Derby to the Hon. A. H. Gordon, G.C.M.G.

Ceylon.—No. 415. Downing-street, 21st December, 1883.

Sir,—Referring to my despatch No. 357 of the 1st of November, I have the honour to enclose, for your consideration, copy of correspondence with the Treasury and the War Office respecting the proposed reduction of the amount paid by the Colony of Ceylon on account of Military contribution. A copy of the correspondence which passed between you and my Department while you were in this country is also annexed, in case you should not have copies with you.

2. You will remember that in the letter addressed to you from this Office on the 8th of September you were informed that I would be glad to hear further from you on this subject as soon as you had been enabled to consult your Executive Council and ascertain the public opinion of the Colony upon it, and I now invite you to state whether you are still of opinion that a reduction can be made in the numbers of the garrison, if, as seems not unlikely, this should prove to be the only feasible way of diminishing the amount of this heavy item of expenditure.

I have, &c.,
DERBY.

Enclosure No. 1 in No. 4.†

Enclosure No. 2 in No. 4.‡

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* Printed as Sessional Paper XVII. of 1883. † No. 1. ‡ No. 2.

Enclosure No. 3 in No. 4.

The WAR OFFICE to the COLONIAL OFFICE.

Financial Secretary's Department,
War Office, 14th November, 1883.

SIR,—I AM directed by the Secretary of State for War to acknowledge the receipt of your letter of 23rd ultimo, giving cover to copy of a letter which has been addressed to the Lords Commissioners of Her Majesty's Treasury on the subject of the Military contribution of Ceylon.

In reply, I am to request you will acquaint the Secretary of State for the Colonies that the matter has also been referred here by the Treasury, and I am to enclose for his information copy of a letter which has been addressed to the Treasury Board in reference thereto.

I have, &c.,
THOS. M. CAVE.

The Under Secretary of State, Colonial Office.

Sub-Enclosure in Enclosure No. 3 in No. 4.

The WAR OFFICE to the TREASURY.

War Office, 14th November, 1883.

SIR,—I AM directed by the Secretary of State for War to acknowledge the receipt of Mr. Cole's letter of 27th ultimo, 18,137/83, referring to a despatch which has been received from the Colonial Office, urging a reduction in the rate of Military contribution at present paid by the Colony of Ceylon, and intimating that the Lords Commissioners of Her Majesty's Treasury will reserve any expression of their opinion until they have received a communication from this Department on the subject.

With reference thereto I am to request you will acquaint their Lordships that the sum now being paid by Ceylon is less than the full cost of the Military Force maintained in that Island, and that the amount of the contribution, if the full cost is not to be paid, is a matter of policy which it is presumed the Treasury Board will arrange with the Secretary of State for the Colonies.

I am also to observe that if any remission of the contribution is made during the current financial year, a supplementary estimate for the Army will be required to meet the deficiency in the receipts, and that the Army Estimates will be increased by a similar amount next year, and for so long as the remission may be conceded.

I have, &c.,
THOS. M. CAVE.

Enclosure No. 4 in No. 4.

The TREASURY to the COLONIAL OFFICE.

No. 19,381/83. Treasury Chambers, 13th December, 1883.

SIR,—IN reply to Mr. Meade's letter of the 23rd October last, I am directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you, for the information of the Earl of Derby, that my Lords have suggested to the War Office a reduction of the Force in Ceylon from a battalion to a wing of a regiment, and that, in the event of the proposed reduction being made, there will be a corresponding reduction in the Military contribution now made by the Colony.

I have, &c.,
LEONARD COURTNEY.

The Under Secretary of State, Colonial Office.

No. 5.

Governor the HON. A. H. GORDON, G.C.M.G., to the Right Hon. the EARL OF DERBY.

Queen's House, Colombo,
Ceylon, 4th February, 1884.

No. 36.—*Military.*

MY LORD,—I TOOK an early opportunity after my arrival in the Colony to ascertain the views of the members of my Executive Council on the subject of the proposed reduction of the European Military force at present stationed in Ceylon, and I have now the honour to enclose for your Lordship's information the copy of two resolutions unanimously adopted by the Executive Council at its meeting on the 2nd instant, the first meeting which has been held in the present year.

2. Your Lordship will perceive that the Executive Council is unanimously of opinion that the presence in Ceylon of an European force of from 400 to 500 men, (in addition to any Artillery force maintained here by the Imperial Government for the defence of Trincomalee,) is sufficient, in time of peace, to ensure the internal tranquillity and good order of the Island. The Major-General, who is a member of the Executive Council, shares this opinion, but deprecates a reduction of the present establishment, on the ground that the efficiency of a regiment materially suffers if the companies of which it is composed be separated from each other for any considerable period.

3. This is no doubt true: but when it is remembered that the garrison of Mauritius has for many years past consisted of one wing only of a line regiment, and that the troops which are, or at all events till lately were, stationed in Trinidad and St. Vincent, consist of isolated detachments, it must be admitted that this objection cannot be considered as in itself necessarily fatal to the suggested arrangement.

4. Although no formal resolution was adopted on the subject on Saturday last, I ascertained from the minutes of individual members of the Council, previously sent in to me, that they are indisposed to look favourably on any proposal wholly to withdraw the European troops, and to substitute for them a native or an Indian force.

5. The resolutions agreed to by the Executive Council were adopted on the assumption that no reduction will be made in the amount per man now paid, but the members of the Council wish me respectfully to express to your Lordship their strong sense of the injustice of exacting from this Colony burdens greater than those imposed on other Crown Colonies similarly situated, and their earnest hope that a rule, not made applicable generally to all Crown Colonies in which Imperial troops are stationed, may not be adhered to in the case of Ceylon.

6. What I would myself suggest in the circumstances of the case is the following temporary arrangement:—

(1) That for the five years commencing on the 1st January, 1885, a sum of Rs. 500,000 should be annually paid to the Imperial Government by that of Ceylon.

(2) That in consideration of such payment, Her Majesty's Government should keep in Ceylon an European force of not less than 400 men.

(3) That in the course of the year 1889 a fresh arrangement should be entered into for the succeeding quinquennial period.

7. For my own part, I may add that although I should prefer the retention of an European force, as wished by the Executive Council, yet that, in the event of the Imperial Government declining to station a smaller number of men here than a whole battalion, or to pay itself those companies which in such a case would be retained, not for any Colonial interest, but for the benefit of the discipline and efficiency of those companies whose presence is admittedly needed, I should much prefer the total withdrawal of Her Majesty's European troops to their retention under such conditions.

8. I should see their withdrawal with perfect equanimity, and, provided I were not unduly hurried or fettered in the operation, I would engage in no long time to replace them by a body of Sikhs or Malays, quite sufficient to inspire respect; nor should I look with any apprehension to the period, (probably a short one,) during which the Island might possibly remain without any troops at all.

9. The enclosed extract from the *Ceylon Observer* would appear to indicate that a diminution in the amount of the present European force would be in no way unacceptable to the community at large.

I have, &c.,

ARTHUR GORDON.

Enclosure No. 1 in No. 5.

RESOLUTIONS of the Executive Council.

ON considering despatch from the Secretary of State, No. 415 of 21st December, 1883, on the subject of the proposed reduction of the amount payable by the Colony on account of the Military contribution, the Executive Council pass the following Resolutions:—

1. Resolved,—That in the opinion of this Council a European force of from 400 to 500 men, in addition to such a force of Artillery as may be stationed here for Imperial purposes, is, in time of peace, sufficient to ensure tranquillity and good order throughout the Island. The Major-General in assenting to this Resolution so far as concerns purely Colonial interests, desires it to be recorded that he deprecates the reduction of the present establishment on Military grounds, the discipline and efficiency of a regiment being, necessarily, seriously impaired by any lengthened separation of the different companies forming the battalion.

2. That, having regard to the present circumstances of the Colony, the amount to be contributed by it to defray Military expenditure should not exceed Rs. 500,000 yearly.

Enclosure No. 2 in No. 5.

EXTRACT from the *Ceylon Observer* of 22nd December, 1883.

The Military Contribution.

CONSIDERING the frequency with which the battalion of Infantry stationed in Ceylon has been withdrawn for Imperial purposes, we did hope that a fair basis of agreement would be that which we proposed, that the Home Government should pay the cost of that arm of the service available for removal when wanted, and that the Colony should support the Artillery. We regret, however, to learn that, while the Home Government are willing to consent to extensive reductions of the force stationed here, they will not reduce the sum per head. It remains, therefore, that the majority of intelligent colonists, who are neither timid nor in love with a large military force for the sake of the social pleasures connected with their presence, declare in favour of a reduction of 50 per cent. in the total force. With a Volunteer force daily increasing in efficiency, and an armed Police force, and with a divided and pacific population, such a reduction could be safely effected.

No. 6.

Governor the Hon. A. H. GORDON, G.C.M.G., to the Right Hon. the EARL OF DERBY.

No. 50.—*Military.*

The Pavilion, Kandy,
Ceylon; 15th February, 1884.

MY LORD,—IN my despatch No. 36 of the 4th instant I enclosed, as an evidence of the public opinion of the Colony with regard to a reduction in the strength of the Military Force now maintained here, an extract from the *Ceylon Observer* of the 22nd December last. It appeared to me, however, that the most satisfactory mode of ascertaining the general feeling of the community on the subject would be to consult the unofficial members of the Legislative Council, and to obtain an expression of their opinion.

2. I accordingly laid your Lordship's despatch No. 415 of the 21st December last before the Legislature, stating at the same time the views of my Executive Council on the question to which it related.

3. In reply to this invitation, the senior Unofficial Member of the Council, Mr. VanLangenberg, with the unanimous support of his unofficial colleagues, brought forward, on the 13th instant, the resolutions which I have the honour to enclose, and which echo the opinions already expressed by the Executive Council.

4. The Major-General commanding the Forces dissented from the first resolution on the ground mentioned in my despatch No. 36 of the 4th instant, viz., that the efficiency of a regiment would be impaired by its division, and also because the force contemplated would not be sufficient in case of attack from without, apparently overlooking the fact that the resolution related solely to the internal tranquillity of the Island. He did not however divide the Board, and expressed his hearty concurrence in the second resolution.

5. In accordance with the terms of the third resolution, an humble Address to Her Majesty the Queen was yesterday unanimously adopted by the Council, praying Her Majesty to take into her most gracious consideration the expressed wishes of the Legislature on this subject

6. That Address I have now the honour to enclose for submission to the Queen, and in doing so I beg to be permitted, humbly and submissively, to add on my own behalf and that of my assistants in the Executive Government of the Colony, the expression of an earnest hope that your Lordship may feel yourself able to advise Her Majesty to comply with a request which is that alike of the Government, the Legislature, and the people of Ceylon.

I have, &c.,
ARTHUR GORDON.

Enclosure No. 1 in No. 6.

RESOLUTION of the LEGISLATIVE COUNCIL,— 13th February, 1884.

THAT in the opinion of this Council: (1) The maintenance of a European force of from 400 to 500 men is sufficient to ensure the maintenance of internal tranquillity and good order; (2) in the present circumstances of the Colony, and having regard to pressing demands on its resources, the expenditure of the Colony for Military purposes in time of peace should not exceed Rs. 500,000 annually.

Enclosure No. 2 in No. 6.

Address of the LEGISLATIVE COUNCIL of Ceylon to Her Majesty the QUEEN.

MOST HUMBLY SHOWETH,—THAT at a meeting of the Legislative Council held on the 13th instant it was resolved that in the opinion of the Council: "(1) The maintenance of a European force in this Colony of from four to five hundred men is sufficient to ensure the preservation of internal tranquillity and good order; and (2) in the present circumstances of the Colony, and having regard to pressing demands on its resources, the expenditure of the Colony for Military purposes in time of peace should not exceed Rs. 500,000 annually; and it was further resolved that an humble Address be presented to Her Majesty the Queen, praying Her Majesty to take the above resolutions into her most gracious consideration, at the same time assuring Her Majesty that in the time of war, or in the event of apprehension of external danger, the Council will be prepared to give their loyal support to any fair claim which may be made for the defence of the Colony and the maintenance of Her Majesty's honour."

The Legislative Council in laying the above resolutions before Your Majesty, most respectfully pray that Your Majesty may be graciously pleased to take the same into Your Majesty's favourable consideration. The Legislative Council beg to assure Your Majesty that in the time of war, or in the event of apprehension of external danger, they will be prepared to give their loyal support to any fair claim which may be made for the defence of the Colony and the maintenance of your Majesty's honour.

By order of the Council,

R. H. SINCLAIR,
Acting Clerk to the Council.

No. 7.

The Right Hon. the EARL OF DERBY to Governor the Hon. A. H. GORDON, G.C.M.G.

Ceylon.—No. 69. Downing-street, 5th March, 1884.

SIR,—I HAVE the honour to enclose for your consideration a copy of correspondence which has passed between the War Office and this Department, respecting the date from which the rebate on the Military contribution, amounting to Two hundred and forty thousand rupees, shall take place.

2. You will notice that I have been unable to insist upon the reduction taking effect before the commencement of the financial year, which begins in this country on the 1st of April, and provision must accordingly be made in a supplementary estimate for the difference between the old and the new rates in respect of the first quarter of the calendar year.

3. I have received your despatch of the 4th ultimo, submitting your own views and those of your Executive Council upon the general question, and I shall lose no time in laying them before Her Majesty's Government.

I have, &c.,
DERBY.

Enclosure No. 1 in No. 7.

The WAR OFFICE to the COLONIAL OFFICE.

Financial Secretary's Department
No. 082/675. War Office, 8th February, 1884.

SIR,—I AM directed by the Marquis of Hartington to request you will acquaint the Secretary of State for the Colonies that a communication has been received from the General Officer commanding in Ceylon, from which it appears that the Government of Ceylon has anticipated the reduction which it has been proposed should be made temporarily from the 1st April next in the rate of Military contribution paid from the Island revenues, and that from 1st ultimo the contribution has been paid at the rate of Rs. 1,000,000 per annum only.

I am to point out that as the estimates for the current year were framed on the assumption that the contribution would be paid at Rs. 1,240,000, the above reduction will cause a loss of about £5,000 on Army Votes, and that it will, if the reduced payment is to be accepted, be necessary to present a supplementary estimate to that extent.

I am to add, that the question as to whether the reduced payment is to be accepted from 1st ultimo has been referred for the consideration of the Lords Commissioners of Her Majesty's Treasury.

The Under Secretary of State, Colonial Office.

I have, &c.,
ARTHUR D. HAYTER.

Enclosure No. 2 in No. 7.

The WAR OFFICE to the COLONIAL OFFICE.

No. 082/677. Financial Secretary's Department,
War Office, 15th February, 1884.

SIR,—ADVERTING to the letter addressed to you on the 8th instant in reference to the action of the Ceylon Government in anticipating, with effect from 1st ultimo, the reduction which it is proposed to make temporarily from 1st April next in the amount of Military contribution paid by Ceylon, I am directed by the Secretary of State for War to acquaint you that a communication has been received, from which it appears that the Lords Commissioners of Her Majesty's Treasury have not yet sanctioned this reduction in the contribution during the current quarter.

I am therefore to request you will move the Earl of Derby to give such instructions to the Colonial authorities in Ceylon as will ensure the difference in the rates of contribution at Rs. 1,240,000 and Rs. 1,000,000 being paid into the Treasury chest at Ceylon before 31st proximo, in order that Army receipts and expenditure, as provided for in the estimates for the current financial year, may not be affected.

I have, &c.,
The Under Secretary of State, Colonial Office. ARTHUR D. HAYTER.

Enclosure No. 3 in No. 7.

The COLONIAL OFFICE to the WAR OFFICE.

Downing-street, 29th February, 1884.

SIR,—I AM directed by the Earl of Derby to acknowledge the receipt of your letter of the 15th instant, No. 082/677, respecting the date from which the reduction in the amount of the Ceylon Military contribution is to take place.

2. The letter from this Office to the Treasury pointing out the necessity of a reduction

was dated the 3rd of October last, and therefore ample time was allowed for making arrangements under which the reduction should begin from the 1st of the following January.

3. Lord Derby however recognises that the reduction made on next year's estimates is the result of a compromise arrived at between the Chancellor of the Exchequer, the Secretary of State for War, and himself, and therefore his Lordship will not insist on behalf of the Colony that the remission should date from an earlier period than the 1st of April, being the beginning of the Imperial financial year.

A copy of this letter has been sent to the Lords of the Treasury.

I am, &c.,

The Under Secretary of State, War Office. R. H. MEADE.

No. 8.

Governor the Hon. A. H. Gordon, G.C.M.G., to the Earl of Derby.

Extract. The Grange, Dimbula, 26th April, 1884.

My Lord,—I have the honor to acknowledge the receipt of your Lordship's despatch No. 69 of the 5th instant, which reached me yesterday, informing me that the proposed reduction of Rs. 240,000 in the amount of the annual Military contribution from this Colony is to take effect only from the 1st of April, and instructing me to obtain from the Colonial Legislature a supplementary vote of Rs. 60,000 to cover the deficiency in the vote contained in the Estimates for the year already adopted.

2. I have called together my Executive Council in order to consult them as to the best means of carrying into effect your Lordship's instructions, and of obtaining with the least difficulty a sum which the Legislative Council will, I need hardly assure your Lordship, only grant with extreme reluctance.

* * * * * *

6. My announcement of the reduction was made on the 3rd December last, and repeated a few days later in my speech on opening the Legislature: nor did this publication and transmission to your Lordship lead to any correction or modification of these statements from the Colonial Office.

7. The request for a supplementary vote will therefore be a most unwelcome surprise to the Legislative Council.

* * * * * *

8. My own position is a matter of minor importance, but is not by any means unimportant. The Governor's assurance should be trusted, and confidence felt in his word. I need not say that if promises which I conceived myself fully authorized to make on behalf of Her Majesty's Government, and which at the time they were made were neither repudiated nor unfavourably commented on by your Lordship, be now partially set aside, little confidence will hereafter be felt in my assurances, and that I shall, however unjustly, be exposed to the odious imputation of having made this promise for a temporary purpose, and to secure a momentary good-will, while content to see it abandoned when that purpose had been served. My future usefulness and influence must be seriously impaired thereby.

9. I therefore trust even yet that Her Majesty's Government may not insist on the revision of the Colonial Estimates for the present year.

* * * * * *

I am, &c.,

ARTHUR H. GORDON.

No. 9.

The Right Hon. the Earl of Derby to Governor the Hon. A. H. Gordon, G.C.M.G.

Ceylon.—No. 84. Downing-street, 17th March, 1884.

Sir,—I have the honor to acknowledge the receipt of your despatch No. 50 of the 15th ultimo, enclosing copies of resolutions passed by the Legislative Council, together with an Address to the Queen on the subject of the Military contribution paid by Ceylon, and, referring to the concluding words of my despatch of the 5th instant, I enclose for your information copy of correspondence which has passed with the War Office on the subject.

I have, &c.,

DERBY.

Enclosure No. 1 in No. 9.

The War Office to the Colonial Office.

Financial Secretary's Department,

No. 082/672. War Office, 11th February, 1884.

Sir,—I am directed by the Marquis of Hartington to acknowledge the receipt of your letter of the 23rd October last, enclosing copy of a communication which the Secretary of State for the Colonies has caused to be addressed to the Lords Commissioners of Her Majesty's Treasury

in reference to the request from the Government of Ceylon to be relieved from the payment of one-third of the present rate of Military contribution.

As regards the arguments put forward in support of that request, I am to state that this Department cannot in any way admit that the amount demanded from Ceylon in aid of Military expenditure is excessive; the basis of the contribution is that it should cover the entire cost to the Imperial Exchequer of the Military Force serving in the Island. These expenses include sea transport, non-effective, depôt, recruiting, and other charges which are not paid in Ceylon. Taking them all into account, the contribution now received is not, as a matter of fact, sufficient to meet this cost. For reasons which have been fully set forth in a letter addressed to the Treasury this day, Lord Hartington is not able to reduce the force serving in the Island by the withdrawal of a wing of the battalion, as has been suggested.

Although the request from the Government of Ceylon was to be relieved of one-third of the contribution, it would appear from the speech recently addressed by the Governor to the Legislative Council that the necessities of the Colony will be met if the contribution is reduced to the extent of Rs. 240,000, and Lord Hartington observes that he has publicly pledged the Government to concede this saving.

I am to request you will inform Lord Derby, that as he states the Ceylon Government is absolutely unable to continue to pay the contribution at its present rate, Lord Hartington will, in the Army Estimates for 1884-5, arrange for the contribution to be reduced by the above sum of Rs. 240,000, to take effect from 1st April next, on the distinct understanding that the remission is temporary only, and that so soon as the state of the Island finances will admit of it, the payment of an increased contribution, based on the actual cost of the force in the Island, will be made.

The Under Secretary of State, Colonial Office.

I have, &c.,
ARTHUR D HAYTER.

Enclosure No. 2 in No. 9.

The War Office to the Colonial Office.

No. 082/678.

Financial Secretary's Department,
War Office, 27th February, 1884.

Sir,—With reference to the letters from this Office of 8th, 11th, and 15th instant on the subject of a proposed reduction in the Military contribution payable by the Colony of Ceylon, I am directed by the Secretary of State for War to acquaint you, for the information of the Secretary of State for the Colonies, that a communication has been received from the Treasury intimating their Lordships' concurrence to a reduction of the contribution by Rs. 240,000,* but only on the understanding that the remission is limited to the ensuing financial year 1884-5, and that it is not to be held to bind Her Majesty's Government in any way as to the amount of the contribution, the place where, or the currency in which, it is to be paid.

I have, &c.,
H. J. DE LA BERE.

The Under Secretary of State, Colonial Office.

Enclosure No 3 in No. 9.

The Colonial Office to the War Office.

Downing-street, 29th February, 1884.

Sir,—I am directed by the Earl of Derby to ackowledge the receipt of your letter of the 11th instant, No. 082/672, informing his Lordship that in the Army Estimates for 1884-5 the Military contribution paid by Ceylon will be reduced by the sum of Rs. 240,000, on the distinct understanding that the reduction is temporary only.

2. Lord Derby desires me to acknowledge, with an expression of his Lordship's satisfaction, the consideration which has been given to the representations made by this Office on the subject of the sum paid by Ceylon to the Imperial Government on account of the European garrison.

3. At the same time, his Lordship wishes it to be clearly pointed out for the information at once of the Marquis of Hartington and of the Lords of the Treasury (to whom copy of this letter will be sent) that this measure of temporary relief cannot be accepted as a final settlement of the question at issue.

4. It is very doubtful whether the reduction now allowed will enable the Colony to meet its financial difficulties, and they probably will not be met unless a considerable rise in the revenue falsifies the anticipations which have been based on carefully compiled statistics of the last few years. In any case the sum remitted must be regarded by this Office and by the Colonial Government as a minimum only, and the speech recently made by Sir Arthur Gordon to his Legislative Council, to which reference is made in your letter, shows that in the Governor's opinion the amount is inadequate.

5. Further, Lord Derby cannot admit that the question is one only of ability or inability to pay: his Lordship considers that it is also a question of justice. It would be superfluous in this letter to enter at length into the question of what charges should, and what should not, be borne by the Colony; but as certain expenses are mentioned in the letter under reply, it may be pointed out that the equity of calling upon Ceylon to pay for many of the charges referred to, and

* From Rs. 1,240,000 to Rs. 1,000,000.

especially those incurred in maintaining the regimental depôt in England, cannot be admitted. It is obvious that while a recruit is training at the depôt in England, and until he is drafted to Ceylon, he is at the service of the home authorities as freely as any other soldier, and is in no sense considered as belonging to the Colony. If Ceylon were to be called upon to pay the expense of depôt and recruiting, the Imperial Government should in equity be required to pay for making use of her troops before they leave for the Colony.

In short, it has not been, and cannot be, allowed that a Colony which pays the whole cost of the troops which actually form her garrison, can properly be called upon to pay for troops which are stationed in England.

6. It may be pointed out, too, that the Marquis of Hartington has apparently not considered the possibility of reducing the cost and the numbers of the staff in Ceylon, and opinion in the Colony is unanimous that the staff is disproportionate to the force employed and to the requirements of the case.

7. Copies of the correspondence which has passed on the subject will now be forwarded to the Governor of Ceylon, in order to obtain a full expression of the views of the Colonial Government.

I am, &c.,

The Under Secretary of State, War Office. R. H. MEADE.

Enclosure No. 4 in No. 9.

The COLONIAL OFFICE to the WAR OFFICE.

Downing-street, 15th March, 1884.

SIR,—I AM directed by the Earl of Derby to acknowledge the receipt of your letter of the 27th ultimo, No. 082/678, on the subject of the proposed reduction in the Military contribution paid by Ceylon.

2. You state that the Lords of the Treasury have consented to a reduction amounting to Rs. 240,000, on the distinct understanding that the arrangement must be considered as in force only for the ensuing financial year.

His Lordship entirely concurs with the Lords of the Treasury in their view that this arrangement should be considered as temporary only, and is of opinion that no time should be lost in effecting a permanent settlement of the question.

3. Lord Derby is now in a position to furnish materials for arriving at a final decision on the subject, the Governor having in the despatches* of which copies are enclosed submitted his own matured views and those of his Council upon it.

4. It will be seen that in default of a reduction of the cost of the existing force (a point which the Secretary of State does not wish further to press at present, though retaining the views upon it which have recently been communicated to the War Office), the local Government advocates a reduction in the strength of the present garrison with a unanimity which, in view of the natural disinclination of Colonial officials to part with European troops, is a striking witness to the superfluity of the present numbers.

Even the Officer commanding the Troops, it will be noticed, allows that a wing of a regiment would suffice for Colonial purposes, and bases his objection to a reduction on the ground that the division of a battalion impairs its efficiency, an argument which of course affords no valid reason for inviting the Colony to pay for a larger number of troops than it requires.

5. It is understood that Her Majesty's Government do not propose to act on the recommendation of the Defence Commission to the effect that Trincomalee should be abandoned, in which case the concentration of the troops at Colombo would of itself have facilitated a reduction in the numbers, but it may probably be thought well to accept their recommendation for relinquishing and dismantling Galle, in which case the presence of European troops at that station, upon which Sir J. MacLeod lays stress as being necessary in connection with the armament and stores, will be no longer required. It may further be pointed out that the Governor, in framing his estimate of the number of troops which are required for Colonial purposes, has probably not taken into account the fact that it is determined to maintain Trincomalee as an Imperial station, garrisoning it as heretofore wholly at Imperial charges, and that consequently, under any circumstances, a force of European Infantry will always be required to support the Artillery at that station.

It would seem then, from every point of view, that the number of men fixed by the Governor to be retained at the expense of Ceylon will be amply sufficient to meet all Colonial requirements.

6. It has been considered superfluous in the present letter to enter into any criticism of the details contained in Sir J. MacLeod's letters; otherwise exception might of course be taken to his statement that the composition of the Head-quarter Staff in no way affects the question of the Military contribution.

Lord Derby prefers to rely entirely on the evidence which has been adduced to the effect that, in the opinion of those responsible for the security of the Colony, the number of the European troops employed can be largely diminished, and he trusts that the Marquis of Hartington will consent to the reduction of the English troops to a minimum of 400 men, the arrangement to take effect for a period of five years, as proposed by Sir Arthur Gordon.

The maximum contribution then to be paid by the Colony will be between Rs. 400,000 and Rs. 500,000, and a burden will have been removed, which has long been deprecated by all classes in the Colony, official and unofficial alike, and has now been clearly shown to be unnecessary.

Lord Derby is not aware whether the question of substituting Royal Marines for the

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* No. 36 of 4th February, 1884, and Confidential of same date.

regular troops of the line forming the garrisons of Ceylon and other Eastern Colonies has ever engaged the attention of Her Majesty's Government. Such a scheme, if practicable, would appear to offer great advantages. It would set free a considerable body of men for service elsewhere with Her Majesty's Army. It would provide a far less costly service, as charges on account of transport, invaliding, and married men's quarters would disappear altogether, while that for the staff would be materially reduced, owing to the special system of organization which, as Lord Derby understands, is employed in this branch of Her Majesty's Forces.

A copy of this letter has been sent to the Treasury, and I am to ask that the subject may receive early consideration.

I have, &c.,

The Under Secretary of State, War Office. R. G. W. HERBERT.

P.S.—A copy of a further despatch on the subject from the Governor of Ceylon,* which has been received since the above letter was written, is also enclosed.

No. 10.

Governor the Hon. A. H. Gordon, G.C.M.G., to the Right Hon. the Earl of Derby.

The Pavilion, Kandy,
Ceylon, 14th August, 1884.

No. 309.—*Miscellaneous.*

My Lord,—The period at which it is usual for the Legislative Council of this Colony to reassemble is now fast approaching, and I would venture most respectfully to remind your Lordship that it is extremely desirable that, if possible, I should, upon the meeting of the Legislature, be able to communicate to it the gracious reply of Her Majesty the Queen to the humble Address of that Body, adopted on the 14th February last, on the subject of the Military contribution. The time is also at hand when I must prepare the Estimates for 1885, and it is, of course, almost essential to their proper and intelligent preparation that I should know whether the relief which has been prayed for, and which is so urgently needed, will be afforded.

2. There is nothing in the financial prospect of the Colony to render the reduction in its expenditure less indispensable, nor, on the other hand, has anything occurred to render the maintenance of the garrison at its present strength more necessary than when I last addressed your Lordship on this subject. The revenue for the last six months ending June 30th has been less than that for any corresponding period since 1872, and falls short by Rs. 35,404 of that for the first half of last year, which was itself the worst previously known for ten years. In order to secure an adequate revenue for 1885 I shall, I fear, in any case, be compelled to resort to some additional taxation, as suggested in your Lordship's despatch of the 30th November, 1883, but of course the reduction prayed for, if effected, will cause very sensible relief. I will not anticipate any other than a gracious and favourable reply on Her Majesty's part to the reasonable and practically unanimous wish of the Legislature,—a wish which is entertained equally by the people at large, and petitions for the accomplishment of which could be forwarded in overwhelming numbers were the adoption of such a course desirable.

3. I have lately returned from a tour in the Northern Province of the Island. What I have there seen has much struck me, and seems to me to go far to demonstrate the inutility of the maintenance of detachments of troops at Kandy and Galle.

4. The Peninsula of Jaffna is, of all the districts of the Island, the most remote from the capital. It is also the most thickly peopled, and its Tamil population is that among which, from their independent and somewhat turbulent character, disorder is most to be apprehended. Not a single European soldier has been quartered at Jaffna since the year 1833, but the peace of the district has never been disturbed, and order is now perfectly maintained there by a force of 79 policemen.

5. Much has been said of the moral influence exercised by the presence of soldiers in the Island. I am far from denying the existence of such an influence, though I think its importance has been somewhat exaggerated. But the lesson I draw from the facts which I have just narrated is that this influence is exercised through the mere knowledge of the presence of soldiers in the Island, and that if Jaffna, with its dense and turbulent population, at a distance of nearly 300 miles from Colombo, and with which for nearly two-thirds of that distance it is not in railway communication, can safely dispense, and has for very many years dispensed, with any European garrison, Kandy, within five hours' railway journey of Colombo (with which it is connected by electric telegraph), inhabited by an orderly and peaceable population, and possessing a police force in the town of over 200 men, stands in no special need of European military protection; and that all the purposes for which a garrison is maintained in the Island would be answered by the retention of a couple of companies in Colombo alone. I am consequently of opinion that the force might be even more largely reduced than has been contemplated by the Legislative Council in its Address to Her Majesty.

6. The fact is that the retention of a garrison at Kandy is a species of survival from a totally different state of things. There were, till comparatively recent days, three reasons for the retention of a garrison here, none of which now apply. For some time after the conquest of Kandy, and indeed perhaps until after the rebellion of 1848, a feeling of disaffection existed among certain classes of the people, especially the nobility and priesthood, which from time to time required active suppression, and which was always so far at work as to render it desirable

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* No. 50 of 15th February, 1885.

to overawe and silence it. For the last thirty years this has ceased to be the case. The Kandyan Provinces are neither more nor less disaffected than other parts of the Island, nor have they any separate or special interests. Any measure of the Government likely to cause dissatisfaction in the lower provinces will ensure the same feelings here, and *vice versâ*. On the ground of anticipated disaffection there is now no special reason for maintaining a force at Kandy rather than elsewhere.

7. In 1816 Kandy was well nigh inaccessible from Colombo. Even after the great road had been made over the Kadugannáwa Pass by Sir Edward Barnes, it was, for troops, a long and toilsome journey. Kandy is now within five hours' easy railway communication with Colombo by the ordinary trains, while a special train will accomplish the distance in little more than three. Difficulty of communication with Colombo is therefore no longer a reason for the maintenance of a separate force here.

8. Other considerations which contributed to the retention of troops at Kandy have no longer the same weight as formerly. As the ancient capital, the presence of troops appeared a species of recognition of its former prestige, and was, in that respect, agreeable to the people, especially the higher classes. Without saying that this feeling is extinct, it certainly has no longer any appreciable influence. Almost all the ancient Kandyan families have disappeared, or are become powerless; and the people at large are certainly far more inclined to occupy themselves with material interests than with historical reminiscences. The fact that Kandy was one of the principal residences of the Governor also operated in the same sense. In former times, and indeed until a very recent period, the Governor of a Colony was regarded as in a certain sense the representative within it of the Sovereign, and the presence of a military guard at his place of residence, and the posting of sentries at his house, were looked on as matters of course. Decisions of the Privy Council as to his legal status,—instructions from Her Majesty's Government,—the gradual stripping from the Governor of various privileges and marks of respect formerly enjoyed by him,—and the general spirit of the times, impatient of any marks of external deference,—have in this respect everywhere effected a great change during the three and twenty years I have served Her Majesty as a Governor. When I was first employed in that capacity, more outward respect was habitually shown to the Governor in the most democratic constitutional Colonies than is now accorded to him in the most absolute Crown Colony. I am speaking now not of public ceremonials, but of the ordinary intercourse of daily life.

9. No one would now think of quartering troops at Kandy solely because it was the residence of the Governor. That it is so, does not seem to me in itself a sufficient reason for their retention.

10. I would therefore suggest the entire withdrawal of troops from Kandy, and the limitation of the force of European troops to be maintained in the Island, exclusive of the garrison at Trincomalee, to two companies of Infantry in Colombo alone.

11. Should it be found impossible to effect so great a reduction, or should it be deemed inexpedient, for the reasons assigned by Sir John McLeod, to divide the battalion, of which it is proposed that a part should be stationed here, it may be well worth the consideration of Her Majesty's Government, whether the whole of the troops might not be withdrawn from the Island for a time—say two or three years—and then be again sent here; the Colonial Government engaging in the meantime to keep in good order, and hand over again in good condition, all buildings and stores temporarily abandoned. That such a temporary withdrawal might take place without the smallest danger, I am thoroughly confident. That the relief from an expenditure of some Rs. 2,000,000 or Rs. 3,000,000 which, as things now are, will have to be paid during the next two or three years, would be very sensibly felt by the Colony, I need not observe.

I have, &c.,
ARTHUR GORDON.

No. 11.

The Right Hon. the EARL OF DERBY to Governor the Hon. A. H. GORDON, G.C.M.G.

Ceylon.—No. 271. Downing-street, 11th September, 1884.

SIR,—I HAVE the honour to acknowledge the receipt of your despatch No. 309 of the 14th of August last, urging the importance of an early settlement on the subject of the Military contribution.

2. In reply, I have to inform you that I have done my utmost to urge the Lords Commissioners of the Treasury and the Secretary of State for War to settle this matter, and that I now hope shortly to be able to communicate to you the decision taken by Her Majesty's Government.

3. Meanwhile I enclose for your information copy of a letter from the Treasury consenting to the 1st of January, 1884, as the date of the reduction to Rs. 1,000,000.

I have, &c.,
DERBY.

Enclosure in No. 11.

The TREASURY to the COLONIAL OFFICE.

No. 9,513/84. Treasury Chambers, 10th June, 1884.

SIR,—ADVERTING to the letter from this Department of the 27th ultimo, 9,304/84, the Lords Commissioners of Her Majesty's Treasury request you to inform the Earl of Derby that they now

definitely sanction the commencement, on and from the 1st January last, of the reduction of the Ceylon Military contribution to Rs. 1,000,000 per annum, upon the understanding that no further reduction will be made in the rate of payment by the Colony without the previous consent of Her Majesty's Government.

I have, &c.,

The Under Secretary of State, Colonial Office. LEONARD COURTNEY.

No. 12.

The Right Hon. the EARL OF DERBY to Governor the Hon. A. H. GORDON, G.C.M.G.

Ceylon.—No. 351. Downing-street, 25th November, 1884.

SIR,—REFERRING to my despatch No. 271 of the 11th of September, I have the honour to enclose copy of further correspondence which has passed between the Treasury, the War Office, and this Department, upon the subject of the Military contribution.

2. You will notice that in any case the immediate charge on the Colony under this head will not exceed Rs. 600,000 per annum from the 1st of January next, and that the Lords of the Treasury are not indisposed to reduce that sum to Rs. 516,000, on the understanding that in the event of the financial outlook of the Colony becoming more satisfactory, some further amount will be paid as a contribution to the cost of the Imperial Government.

I have not felt justified in binding the Colony under the latter alternative without giving the Ceylon Government an opportunity of fully considering the subject.

3. It will, I feel sure, be recognised that the Imperial Government have shown due consideration of the claims advanced on behalf of the Colony.

I have, &c.,

DERBY.

Enclosure No. 1 in No. 12.

The COLONIAL OFFICE to the WAR OFFICE.

Downing-street, 4th April, 1884.

SIR,—IN a letter from this Office of the 29th of February, respecting the date from which the reduction of the Military contribution now paid by Ceylon should commence, it was stated that Lord Derby "will not insist on behalf of the Colony that the remission should date from "an earlier period than the 1st of April, being the beginning of the Imperial financial year;" and this decision was communicated to the Governor of Ceylon.

2. Two telegrams, in cypher, have now been received in reply from Sir Arthur Gordon, dated the 29th of March :—

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3. In the letter of the 29th of February it was pointed out that the necessity of reducing the amount of the Military contribution was announced by this Office nearly three months before the expiration of last year, giving ample time to the Imperial Government to make arrangements accordingly from the 1st of January, 1884. Lord Derby is therefore not surprised to find that the Colony is likely strongly to resent an attempt to enforce payment at the old rate in respect of the first quarter of the calendar year.

4. The Estimates for 1884 have recently been received from Ceylon, showing a bare excess of revenue over expenditure, an excess which the proposed payment will convert into a deficit.

In the face of such financial returns, and sharing the views of the local Government and public on the question, his Lordship doubts the possibility of taking any steps for exacting this payment, unless, as the Governor suggests, the vote is coupled with an announcement that the troops will at the earliest possible moment be either largely reduced or entirely withdrawn: his Lordship trusts therefore that a speedy decision will now be arrived at, and in the meantime the Governor will be instructed to take no further steps in the matter.

A copy of this letter has been sent to the Treasury.

I am, &c.,

The Under Secretary of State, War Office. R. H. MEADE.

Enclosure No. 2 in No. 12.

The WAR OFFICE to the COLONIAL OFFICE.

No. 082/682. War Office, 8th April, 1884.

SIR,—I AM directed by the Secretary of State for War to acknowledge the receipt of Mr. Meade's letter of 29th February, intimating that the temporary relief which has been afforded the Colonial Government of Ceylon in the reduced rate of Military Contribution to be paid during the current financial year cannot be accepted as a final settlement of the question at issue, and stating that Lord Derby is unable to admit the equity of calling upon Ceylon to pay many

of the charges detailed in the War Office letter of 11th February, especially those incurred in maintaining the regimental depôt at home.

With reference thereto, I am to observe that although Lord Hartington does not deem the present moment an opportune one to discuss generally the Ceylon Military Contribution, he must demur to the arguments advanced in the letter now under reply, that Ceylon should not be charged with any Home charges for the maintenance of the depôt for keeping up the supply of men to the Service Companies. It is obvious that the cost of raising and training men, who would not be required at all, were it not that they had to be sent to the foreign battalions, is an expense properly chargeable to the cost of maintaining the force abroad.

As to the argument that the men are available while at home, and that, therefore, the Imperial Government should, because it has the services of the men, bear the expense, I am to remark that the claim on the Colony is made for the maintenance of the men only for the period they are under training as recruits—e. g., six months for an infantry soldier. This is the basis on which the Home charges for the British Troops in India are determined.

The question of reducing the Staff and the garrison in Ceylon will be duly considered by the Secretary of State.

I have, &c.,

The Under Secretary of State, Colonial Office. RALPH THOMPSON.

Enclosure No. 3 in No. 12.

The Colonial Office to the War Office.

Pressing. Downing-street, 22nd May, 1884.

Sir,—Referring to the letter from this Department of the 4th ultimo, I am directed by the Earl of Derby to request you to lay before the Marquis of Hartington the enclosed copy of a further despatch from the Governor of Ceylon on the subject of the Military contribution paid by that Colony.*

2. Lord Derby would express an earnest hope that the decision of Her Majesty's Government on the question at issue will not be longer delayed. The matter was brought under consideration at the beginning of last October, and all materials for arriving at a final judgment have for some time past been in the hands of the Lords of the Treasury and the Secretary of State for War, and meanwhile the financial difficulties of the Colony have increased, and the necessity of an adequate measure of relief has become more urgent.

It is confidently expected, therefore, that the consent of the Imperial Government to the reductions specified in former correspondence will be given at an early date.

3. Lord Hartington was informed in the letter from this Office of the 4th ultimo, that, pending a decision on the general question, the Governor has been instructed to take no steps for endeavouring to procure a vote of Council for the sum of Rs. 60,000 claimed by the Treasury on account of the first quarter of the year. Such a vote could only be obtained if the proposal were coupled with an announcement of a large reduction, the effect of which will be felt within the present financial year, and on this account, as well as for the sake of the Colony, it is desirable that no further delay should be incurred.

4. A copy of this letter has been sent to the Treasury.

I have, &c.,

The Under Secretary of State, War Office. ROBERT G. W. HERBERT.

Enclosure No. 4 in No. 12.

The Treasury to the Colonial Office.

No. 9,304/84.—*Immediate.*

Treasury Chambers, 27th May, 1884.

Sir,—The Lords Commissioners of Her Majesty's Treasury desire me to state that they have considered the enclosures to Mr. Meade's letter of the 4th ultimo, and your letter of the 22nd instant, regarding the reduction of the Ceylon Military contribution; and I am to enclose, for the information of the Earl of Derby, a copy of a letter addressed by this Board to the War Office on the 14th instant, from which his Lordship will perceive that my Lords are not indisposed to permit the reduction to Rs. 1,000,000 per annum, to commence from the 1st January last.

My Lords hope that such reductions of the garrison may be feasible as will justify the above, or even a further reduction of the contribution.

They trust, however, that in the present embarrassment of the Colonial finances the Governor is not confining his measures of relief to a transfer of charge from the Colony to the mother-country. It is scarcely reasonable to dilate, as he does in his despatch of the 26th April, upon all the good that might have been done in Ceylon with the money used in excess payments for the garrison; when such payments, if in excess at all, have really been a small contribution towards the external defence of the Colony. Strictly speaking, it is quite as much the duty of the Colony to contribute to the cost of external defence, as to pay the salary of her Governor; and if it is relieved, temporarily, of the former duty, this must be on grounds of compassion only.

My Lords cannot forget that, only seven years ago, 20 per cent. was added to the salaries of the higher branches of the Ceylon Civil Service because the revenue was flourishing and the

* No. 153 of 26th April. (No. 8.)

cost of living had increased. The money thus spent might have been laid out in remunerative public works, and my Lords might apply to it every term that the Government uses of the Military expenditure. But their Lordships only refer to the circumstance as an illustration of the necessity of considering whether some branches of the Civil Expenditure of the Colony, as well as the Military, do not admit of reduction.

I have, &c,

The Under Secretary of State, Colonial Office. C. G. BARRINGTON.

Sub-Enclosure in Enclosure No. 4 in No. 12.

The TREASURY to the WAR OFFICE.

No. 8,244/84. Treasury Chambers, 14th May, 1884.

SIR,—THE Lords Commissioners of Her Majesty's Treasury request you to inform the Secretary of State for War that they have received from the Colonial Office copies of recent communications made by that Department to the War Office on the subject of—

(a) The payment of Rs 250,000 instead of Rs. 310,000 as the Ceylon Military contribution for the quarter to 31st March last;

(b) The reduction of the Military Force in Ceylon.

As regards the first point, my Lords think there are strong reasons for allowing the reduction of the Military contribution from Rs. 1,240,000 to Rs. 1,000,000 per annum, to date from the 1st January; and I am to inquire, with reference to your letter of the 8th February last, whether the Secretary of State is still of opinion that the consequent loss of Rs. 60,000 must necessarily involve an appeal to Parliament for further funds.

With regard to the second point, it has been suggested that if the force could, before the close of the calendar year 1884, be so reduced as to diminish the annual rate of the charge against the Colony to considerably less than the Rs. 1,000,000 provided for that year by the Colonial Legislature, the saving on the latter part of the year might be used for making good the deficiency in the payment for the first quarter. My Lords will be glad to learn that the Secretary of State can make arrangements accordingly. Any such arrangement, however, will only help to balance the account with Ceylon, and must at first add to the charge on the Army Funds as a whole.

I have, &c.,

The Financial Secretary, War Office. LEONARD COURTNEY.

Enclosure No. 5 in No. 12.

The TREASURY to the COLONIAL OFFICE.

No. 12,221/84. Treasury Chambers, 22nd July, 1884.

SIR,—I AM directed by the Lords Commissioners of Her Majesty's Treasury to acknowledge the receipt of Mr. Meade's letter of the 24th of March last (081/393) relating to the payment of the Military contribution in Mauritius at the rate of 2/- the rupee, and, with reference thereto, to transmit a copy of a letter which my Lords caused to be addressed on the 26th ultimo to the War Office upon this subject, together with a copy of the reply thereto from the War Office dated the 12th instant, and I am to request that, in laying this correspondence before the Earl of Derby, you will state to his Lordship that should he concur in the proposal that his Department should be represented on the Committee referred to in the War Office letter, my Lords would be glad to be informed of the name of the gentleman whom he proposes to select for the purpose.

I have, &c.,

The Under Secretary of State, Colonial Office. LEONARD COURTNEY.

Sub-Enclosure No. 1 in Enclosure No. 5 in No. 12.

The TREASURY to the WAR OFFICE.

5,668/84. Treasury Chambers, 26th June, 1884.

SIR,—THE Lords Commissioners of Her Majesty's Treasury request you to inform the Marquis of Hartington, with reference to the letter from this Department of the 2nd February last, and previous correspondence, that they find it impossible to come to any agreement with the Colonial Office as to the sterling rate per rupee at which the Mauritius Military contribution is to be paid into the Treasury chest in that Colony, until the general question of the rates of charge per man or otherwise, and of the place of payment, has been settled.

If the rates of charge per man at the Mauritius are to be revised, with a view to altering the amount of annual contribution, it will be necessary to consider what should be the strength and character of the garrison to be maintained in the island, and whether part of the whole cost, or the whole cost of part, or all, ought to be paid by the Colony:

My Lords had hoped that the late Commissioners on Colonial Defences would have extended their inquiry to this subject as regards all the garrisoned Colonies, but apparently this was not done.

They understand, however, that the Secretary of State has appointed a Committee to consider the same question in Ceylon, and their Lordships would suggest, therefore, that this Committee should be instructed to deal with the Mauritius garrison and contribution also.

If the Secretary of State agrees to this question, my Lords propose that an officer of this Department and of the Colonial Office, respectively, should be added to the Committee, with a special view to considering the amount and mode of payment of the contributions in both Ceylon and Mauritius.

I have, &c.,

The Financial Secretary, War Office. C. G. BARRINGTON.

Sub-Enclosure No. 2 in Enclosure No. 5 in No. 12.

The War Office to the Treasury.

081/393. War Office, 12th July, 1884.

Sir,—I am directed by the Marquis of Hartington to acknowledge the receipt of Mr. Barrington's letter of the 26th June, No. 5,668/84, relative to the Mauritius Military contribution.

In reply I am to acquaint you, for the information of the Lords Commissioners of Her Majesty's Treasury, that Lord Hartington agrees to their proposal that two members—one from the Treasury and one from the Colonial Office—should be added to the Committee appointed by his Lordship to consider the Ceylon contribution, and that the Committee should also consider the amount and mode of payment of the Mauritius contribution.

Lord Hartington will be glad to be informed of the names of the two gentlemen selected to represent the Treasury and Colonial Office respectively.

I am, &c.,

The Secretary to the Treasury. ARTHUR D. HAYTER.

Enclosure No. 6 in No. 12.

The Colonial Office to the Treasury.

Downing-street, 11th August, 1884.

Sir,—I am directed by the Earl of Derby to acknowledge the receipt of your letter of the 22nd ultimo, 12,221/84, enclosing a copy of a correspondence with the War Office on the subject of the Military contribution paid by Mauritius and Ceylon, and suggesting that a representative should be nominated by the Colonial Office to serve on an inter-Departmental Committee for inquiry into the subject.

2. In the letter from the Treasury to the War Office of the 26th June, it is stated that their Lordships "find it impossible to come to any agreement with the Colonial Office as to the "sterling rate per rupee at which the Mauritius Military contribution is to be paid into the "Treasury chest in that Colony, until the general question of the rates of charge per man or "otherwise, and of the place of payment, has been settled."

His Lordship has read this statement with surprise, and it appears to him to be misleading; the facts of the case being that the Colonial Office has wholly failed to induce the Board of Treasury to consider certain suggestions which were laid before them unofficially as long ago as March, 1879, and officially in March, 1880, and which have been referred to in repeated letters from this Department, as noted in the margin.*

Three successive Secretaries of State have endorsed the scheme put forward in the letter of the 20th of March, 1880, which (whether acceptable or not in certain points of detail) at least afforded hope of furnishing the basis of a reasonable compromise, and was put forward by Sir M. Hicks-Beach with the view of ending a controversy of long standing; but records of this Department show that no letter has been received either discussing its merits or replying to the numerous reminders which have been sent on the subject.

Under such circumstances Lord Derby fails to understand the statement which has been quoted above, and his Lordship considers that the proposal in question should at least have received some acknowledgment, especially if the Lords of the Treasury were of opinion that the scheme was one which could not properly be accepted.

3. As regards the general question of the Military contribution to be paid by the Eastern Colonies (omitting Ceylon for reasons to be presently stated), Lord Derby is prepared to nominate a member of this Office to serve on a Committee representing the Treasury, the War Office, and the Colonial Office, if it is understood that the proposals made in 1880 are to be referred to it for consideration; and the Committee might more conveniently deal with the whole subject in the autumn than at present, during the commencement of the holiday season.

4. The case of Ceylon, however, stands on a wholly separate footing.

Last year, in the month of October, it was clearly pointed out to the Lords of the Treasury that the resources of the Island, which up to that time had enabled her to bear the crushing weight of an excessive Military contribution, had diminished to an extent which made a large diminution in the burden absolutely necessary, and, after some negotiation, it was arranged that a temporary compromise should be made, whereby the Colony should pay Rs. 1,000,000 instead of Rs. 1,240,000 up to end of March next, in order to leave time for consideration as to the future.

In the meantime the Government of Ceylon reported that the sum of Rs. 500,000 is the utmost amount which the Colony can afford to pay for a Military force, and that in case of necessity they were ready to dispense altogether with the troops now in the Island.

* 20th March, 1880; 9th August and 20th September, 1881; 24th March, 1884.

Upon the receipt of this intelligence the War Office was requested, in a letter dated the 15th of March (nearly five months ago), to consider whether, in return for a Military contribution not exceeding Rs. 500,000, they would be able to provide a body of troops not less than 400 in number: the Colony, in short, being prepared to pay for the full cost of the troops required for Colonial purposes, and merely asking that no more should be furnished than would be covered by the sum of Rs. 500,000.

As regards the number of troops which, in the judgment of the Military authorities, may be required for the defence of the Naval establishment at Trincomalee, the Colony is not concerned, Trincomalee being an Imperial station, and having been always treated as such.

Nor is the question complicated by any of the proposals which have received the assent of the Cabinet, and to which reference is made in the letter from this Department to the Treasury of the 15th July; those recommendations refer only to the execution of works at Trincomalee, in which it is admitted that the Colony has no interest, and it has been laid down that if the Colonial community require defences at the commercial port of Colombo, such expenditure must be defrayed from Colonial, not Imperial funds.

As far as Lord Derby is aware, the Colonial authorities do not contemplate any works of the kind, and the amount they should pay, and the number of troops they should receive, can accordingly be selected irrespective of any other consideration.

It will be seen, therefore, that the question as regards Ceylon is a comparatively simple one, and that the suggestions which have been made on behalf of the Colony are fair and reasonable, involving no concession on the part of the Imperial Government; but, notwithstanding, more than ten months have elapsed since the subject was first brought to the notice of Her Majesty's Government, and more than five months since definite proposals were made to the War Office, during which time the Colony, though in great financial difficulties, has been called upon to pay an amount, which the whole community repudiates, for a service which is not considered to be of vital necessity.

Lord Derby trusts, therefore, that the Lords of the Treasury will see the grave injustice to the Colony involved in further delay; and as his Lordship understands that the War Office authorities, who have been considering the matter, have practically arrived at a conclusion, he would strongly urge that a decision should be come to at once; and he is ready on behalf of the Colony to accept the number of troops which can be supplied for the sum already mentioned, viz., Rs. 500,000

If the settlement is further protracted so that the new financial arrangements cannot take effect from the 1st of January, or, at the very latest, from the 31st of March next, it is certain that the Colonial Government will recommend the total withdrawal of the troops, and decline to make any further payment on this account, and it will obviously be impossible for Her Majesty's Government to insist on the retention of troops by a Colony which has expressed its readiness to dispense with them.

The Imperial Government has thus the following alternatives before it, after the date mentioned above: either they can receive an annual payment from the Ceylon Government of Rs 500,000, being the entire cost of the troops supplied to the Colony for Colonial purposes, or they will be under the necessity of maintaining the same number of troops without any contribution at all, as it is understood that no material reduction in the numbers is possible on account of the necessity of defending Trincomalee.

5. To sum up: Lord Derby would propose (and he earnestly trusts that the Lords of the Treasury will agree with him),

(1) That the recommendations which it is understood the War Office authorities are prepared to make on the subject of the Ceylon contribution should be made immediately;

(2) That in the autumn the present War Office Committee, supplemented by representatives from the Colonial Office and Treasury, should meet and discuss the general question as it affects Mauritius, Hongkong, and the Straits Settlements, taking into consideration the Colonial Office letter of the 20th of March, 1880.

A copy of this letter has been sent to the War Office.

I am, &c.,
R. H. MEADE.

The Secretary to the Treasury.

Enclosure No. 7 in No. 12.

The TREASURY to the COLONIAL OFFICE.

No. 13,806/84. Treasury Chambers, 28th August, 1884.

SIR,—THE Lords Commissioners of Her Majesty's Treasury have had before them Mr. Meade's letter of the 11th instant, as to a proposed Committee of Inquiry into the Military contributions of certain Eastern Colonies.

The Secretary of State complains of a passage in my Lords' letter to the War Office of 26th June last as misleading, because it ignored the suggestion made to the Treasury in March, 1880, which, in His Lordship's opinion, would have afforded the basis of a reasonable compromise.

My Lords regret that no direct answer was given to those suggestions at the time, but it may be useful to explain how they came to be made, and why no serious consideration has been given to them.

In 1877–8, after the continued fall in the gold value of silver had obliged the Treasury to undertake an annual revision, according to the average price of silver in the London market during the preceding year, of the sterling rate at which dollars and rupees were to be issued

from, and received into, the Treasury chest (or the Army par of those coins, as it was called), a difference arose between the Treasury and the Colonial Office as to the rate at which the Military contribution of the Straits Settlements, the amount of which had been fixed in sterling, was to be paid in dollars, into the chest at Singapore. From 1867 to 1875 the contribution had been paid at the rate of 4*s.* 3*d.* a dollar, that having been the constant Army par during those years, and the Colony objected to the demand of the Treasury Chest officer that the dollars should thenceforth be paid in at the much lower rates fixed for the Army par in later years, viz. :—

From 1st April to 30th September, 1876, at 4*s.* 1*d.*
" October, 1876, to 31st March, 1877, at 3*s.* 10*d.*
" April, 1877, to 31st March, 1878, at 3*s.* 9*d.*

The Treasury maintained that, if the Colony objected to paying its contribution in dollars, at their proper sterling value at Singapore, it ought to pay the full sterling amount of its contribution in London.

But the Colonial Office contended that, as the Colonial revenue was collected in dollars the Colony would be obliged, under either alternative proposed by the Treasury, to increase its contribution by over 11 per cent., although there was no corresponding increase in its Military requirements, and although the sterling amount of the contribution had been fixed on the assumption that 51*d.* = $1.

It will be observed that, although superficially a question of exchange, the real issue was the amount of contribution due by the Colony.

A similar difficulty had arisen in Ceylon, where the contribution was paid in rupees ; and there were threatenings of the same question at Hongkong and in Mauritius.

In a letter of 25th February, 1879, therefore, the Treasury told the Colonial Office that they had thought of suggesting the appointment of a Home Committee of Inquiry into Colonial Military contributions, but for various reasons determined to postpone this step. In the meanwhile, however, they proposed the appointment, in each contributing Colony, of a Local Committee composed of—

1. An Officer of H. M. Troops on the spot ;
2. A Colonial Officer ;
3. The Officer in charge of the Treasury chest ;

who should report regarding the number of troops necessary for (*a*) Imperial and (*b*) Colonial purposes. The information thus obtained might then be submitted for the consideration of a Committee at home.

In the same year, the Treasury agreed that, pending a future settlement, the contribution might continue to be paid at Singapore at the rate of 4*s.* 3*d.*

On the 20th March, 1880, the Colonial Office replied to the foregoing proposal by intimating that the Secretary of State had no objection to the appointment of a Committee in this country, but thought that the basis of its action ought to be defined beforehand. A memorandum was accordingly enclosed, of general principles, which might serve as an instruction to the Committee.

This memorandum is the document which the Colonial Office has repeatedly urged the Treasury to consider, but without success. It consists of nine articles, of which six only need be noticed :—

1. Home charges to be calculated and paid in sterling.
2. Local charges to be calculated and paid in local currency.
3. (As consequent on 2) Pay of troops issued locally to be a consolidated rate of pay and allowances, fixed in local currency.
4. A Colony able to pay full cost, to pay Home charges in sterling in London, and local charges in the Colony in local currency.

5 & 6. A Colony able to pay part of the cost only, (1) to pay the local charges, as far as may be ; (2) if any part of the contribution remain over, to devote it towards defraying the sterling charges at Home.

The view taken by the Treasury was that, as all these instructions related to the description of coin in which, and the place where, the charges should be calculated and the contribution paid, their issue was not required as a preliminary to the appointment of Local Committees or of a Home Committee for determining the strength of the Colonial garrisons and dividing them according to Imperial and Colonial requirements respectively.

Assuming the concurrence of the War Office in article 3 as to a consolidated rate of pay and allowances in local currency, my Lords would have little difficulty in agreeing to the substance of the proposed instructions ; but the force to be maintained in, and the force to be paid for by, the Colony, ought to be settled before the mode of payment. To prove this, my Lords will take a single example out of many.

Let it be supposed that a Colony requires 400 men for its own internal and external security, apart from the needs of Imperial establishments ; that 600 more men are required for Imperial purposes ; and that the Colony cannot afford to pay more than the full cost of the first-mentioned number. In such a case, the cost of the 400 men would be calculated thus :—

I.—Local pay and allowances, supplies in Colony, Barracks, &c., paid in local currency.
II.—Transport out and back, supplies from Home, Depôt charges, pensions, &c., paid in sterling.

According to the instructions proposed by the Secretary of State, the Colony would repay the first class of charges locally in local currency, and the second class in London in sterling. But as the local expenditure of the War Office on the whole garrison would probably exceed the combined Local and Home charges for the 400 men, it would better suit the convenience of both that

Department and the Colony if the whole Military contribution were paid locally in local currency. It would then be expedient to arrive at some round sum in local currency which would fairly represent the Home charge of 400 men.

My Lords might multiply illustrations, but they have probably said enough to show that in continually pressing, during the last four years, for a pronouncement of opinion upon their Memorandum of March, 1880, the Colonial Office have been mistaking the logical order in which the several elements of the question of Colonial Military contributions must be considered. That order seems to my Lords to be as follows :—

1. The force to be maintained in the Colony—
   (*a*) For internal and external defence of the Colony.
   (*b*) For purely Imperial purposes.
2. The cost of that force divided as above in the Colony and at Home.
3. The amount of contribution that ought to be demanded of the Colony, having regard to its resources and to its obligations towards itself and towards the Empire ; whether the amount should be the same in peace and war ; for what period it should be fixed, &c.
4. The mode of payment. Upon the receipt of the Colonial Office letter of 20th March, 1880, the Treasury suggested to the War Office that the question of the strength, character, and cost of Imperial garrisons in the Colonies should be referred to the Royal Commission on Colonial Defences, but that Department held that this question as involving large political considerations was rather for the Government than for a Royal Commission.

The Treasury then pressed that the question of the character and strength (not cost) of the garrisons should be referred to the Commission, not for decision, but in order that they might obtain information upon it. They again urged the same course in a letter of 1st December, 1881, but without effect, and the Commission concluded their labours without dealing with the question.

In the meantime, the question of the Military Contribution in Mauritius had been brought into prominence by the action of the Colonial Office. The contribution by that Colony had been fixed in sterling, and for a short time was paid in sterling in London. In 1880, however, it began again to be paid in the Colony, and in rupees at the Army par of 1*s.* 8*d.* Early in 1881 the Colonial Office, without consultation with the Treasury, directed the Governor to pay the contribution at the rate of 2*s.*, pending future adjustment, and both the Treasury Chest officer and the War Office complained to the Treasury of this proceeding.

My Lords need not remind the Secretary of State of the ineffectual remonstrances addressed by them to the Colonial Office on this subject on the 26th May and 5th September, 1881, and 2nd February, 1884. The only excuse that has been made by the Colonial Office is that a like arrangement had been consented to in the Straits Settlements, and that their Memorandum of March, 1880, had not been considered.

In 1883–4, moreover, the most urgent representations were made to the Treasury and to the War Office of the impossibility of the continued payment of Rs. 1,240,000 per annum as a Military contribution by Ceylon, and the question of the future strength of the garrison in that Colony was referred to a War Office Committee.

My Lords, therefore, on 26th June, 1884, suggested to the War Office that the question of the Mauritius contribution might be considered by the same Committee, and that representatives of the Treasury and Colonial Office should be added to it with that view, and their Lordships cannot admit that the terms in which this suggestion was made are misleading.

If a joint Committee of the character suggested be appointed, my Lords readily consent to the Colonial Office Memorandum of March, 1880, being referred to it for consideration, as well as of its extending its inquiries to any Colony of which the Military contribution is a matter of dispute. They also agree that the Committee had better defer its sittings until October or November.

As regards the Ceylon contribution, if the War Office have already formulated proposals as to the strength and character of the future garrison in that Colony, and can state the cost in the Colony and at Home, my Lords will consider the future amount of contribution, in concert with the Colonial Office, apart from the same question in other Colonies.

I am, however, to state that, whether as regards Ceylon or any of the other Colonies, it is inequitable for the Secretary of State to beg the question at the outset, by determining beforehand how much the Colony is to contribute, whether the sum suffices for its Military requirements or not.

In the case of a representative and responsible Government of a Colony taking such a course, it is open to the Home Government to withhold any force that the Colony is not prepared to pay for, but this is not possible in the case of a Military Possession like Ceylon, Hongkong, Mauritius, or the Straits.

Before, therefore, my Lords can be expected to accept Rs. 500,000 as the contribution from Ceylon, the Secretary of State should produce evidence that the Colony can afford to pay no more, that taxation cannot be increased, and that expenditure cannot be otherwise reduced.

My Lords have wished the Military expenditure in each Colony to be divided between Imperial and Colonial purposes, because this affords a guide to what ought to be the minimum contribution. It does not follow that a Colony ought to pay nothing towards Imperial expenses ; on the contrary, my Lords hold it to be the duty of every portion of the Empire to make some contribution towards those expenses, according to its means.

I have, &c.,

C. G. BARRINGTON.

The Under Secretary of State, Colonial Office.

Enclosure No. 8 in No. 12.

The COLONIAL OFFICE to the WAR OFFICE.

Immediate. Downing-street, 4th September, 1884.

SIR,—WITH reference to the letter from this Department of the 11th ultimo, forwarding copy of a letter to the Treasury on the subject of the Ceylon Military contribution, I am directed by the Earl of Derby to transmit to you the enclosed copy of a letter from the Treasury, and to request you to move the Marquis of Hartington at his Lordship's earliest convenience to acquaint this Department with the precise proposals which it is understood are nearly prepared by the War Office Committee, who have been examining the question of the future strength, character, and cost of the garrison in Ceylon, in order that a decision may be taken by the Secretary of State for the Colonies, in concert with the Lords Commissioners of the Treasury, as soon as possible.

As regards the latter part of the Treasury letter, all that Lord Derby desires at present to remark is that the Colony is prepared to pay any sum not exceeding Rs. 500,000, which is understood to be more than sufficient to meet the full cost of the 300 troops reported by the Governor in his despatch, copy of which was sent to the War Office and Treasury on the 22nd of May last, to be sufficient for all Colonial purposes; or, if it should be more convenient to the Home authorities, the Colonial Government are ready to dispense altogether with the services of the troops, spending whatever sum may be necessary on strengthening the Police Force, and thus setting free for service elsewhere a not inconsiderable number of Her Majesty's troops.

I am, &c.,

The Under Secretary of State, War Office. R. H. MEADE.

Sub-Enclosure in Enclosure No. 8 in No. 12.

The TREASURY to the COLONIAL OFFICE.

14,927/84. Treasury Chambers, 12th September, 1884.

SIR,—WITH reference to previous correspondence respecting the Military contribution payable by Mauritius, I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith a copy of a letter of the 3rd instant from the War Office, and to request that you will state to the Earl of Derby that my Lords will be glad to be furnished with a reply to the letter from this Board, 13,806/84 of the 28th ultimo.

I have, &c.,

W. BRAMPTON GURDON.

The Under Secretary of State, Colonial Office.

Enclosure in above.

The WAR OFFICE to the TREASURY.

081,397. War Office, 3rd September, 1884.

SIR,—I AM directed by the Marquis of Hartington to request that you will bring to the notice of the Lords Commissioners of Her Majesty's Treasury that no reply has been received to the letter from this Office of the 12th July relative to the proposed inquiry into the amount and mode of payment of the Mauritius Military contribution.

Lord Hartington agreed to the proposal contained in Mr. Barrington's letter of the 26th June, 5,668/841, that the Treasury and the Colonial Office should be represented on the Committee appointed by his Lordship to consider the Ceylon contribution, and that the Committee should deal also with the Mauritius contribution. The work of the Committee has accordingly been suspended, and Lord Hartington is awaiting a communication as to the appointment of the additional members.

I am, &c.,

H. T. DE LA BERE.

The Secretary to the Treasury.

Enclosure No. 9 in No. 12.

The COLONIAL OFFICE to the TREASURY.

Immediate. Downing-street, 13th September, 1884.

SIR,—IN reply to your letter 14,927/84 of the 12th instant, I am directed by the Earl of Derby to acquaint you, for the information of the Lords Commissioners of the Treasury, that your letter of the 28th ultimo was referred to the War Office in a letter of the 4th instant, of which a copy is herewith enclosed, requesting that Department as soon as possible to formulate their proposals on the subject of the future strength, character, and cost of the garrison in Ceylon.

Lord Derby intended on receipt of the War Office reply to that letter, which crossed their letter of the 3rd instant, enclosed in your letter under acknowledgment, to address the Lords of

the Treasury in reply to their Lordships' letter of the 28th ultimo; and it appears that it is only now necessary for their Lordships to point out to the War Office, in reply to Lord Hartington's letter of the 3rd instant, that it has been agreed between the Treasury and the Colonial Office to defer the consideration of the Mauritius contribution to a later period, when representatives of these Departments will be added to the War Office Committee, but that the recommendation, which is understood the War Office Committee were almost ready to make on the Ceylon question, should not be any longer delayed.

I am, &c.,

The Secretary to the Treasury. R. H. MEADE.

Enclosure No. 10 in No. 12.

The TREASURY to the COLONIAL OFFICE.

No. 15,699/84. Treasury Chambers, 30th September, 1884.

SIR,—WITH reference to previous correspondence on the subject of the Ceylon Military contribution, the Lords Commissioners of Her Majesty's Treasury request you to submit to the Earl of Derby the accompanying copy of a letter from the War Office, dated the 22nd September, 1884,* with a draft report in print, from which it will be seen that the Marquis of Hartington recommends the reduction of the contribution to Rs. 600,000 per annum for five years from 1st January, 1885.

My Lords would inquire whether the Earl of Derby is prepared to agree on behalf of the Colony to the payment of the above contribution.

If his Lordship be of opinion that a still greater reduction of the contribution is inevitable, my Lords request to be furnished with a full statement of the resources and burthens of the Colony in explanation of the grounds of such an opinion.

For their own part, however, they wish it to be understood that they are not yet convinced of the necessity for so great a reduction as the Marquis of Hartington proposes.

I have, &c.,

The Under Secretary of State, Colonial Office. C. G. BARRINGTON.

Enclosure No. 11 in No. 12.

The WAR OFFICE to the TREASURY.

082/716. Financial Secretary's Department, War Office, 22nd September, 1884.

SIR,—I AM directed by the Marquis of Hartington to acknowledge receipt of Sir W. B. Gurdon's letter of 12th instant (No. 14,927/84), enclosing copy of further correspondence between the Treasury and the Colonial Office regarding the proposal that the Departmental Committee which the Secretary of State for War has appointed to report on Military expenditure in Ceylon, should be supplemented by representatives from the Treasury and the Colonial Office, and that such Committee should make similar inquiries in regard to the Military expenditure of other Colonies.

As, however, the Secretary of State for the Colonies, while concurring in the appointment of a Joint Committee so far as Mauritius, Hongkong, and the Straits Settlements are concerned, presses for an immediate decision in the case of Ceylon, and as the Lords Commissioners of Her Majesty's Treasury are prepared at once to consider the question concerning that Colony, I am to request that the following proposals may be placed before their Lordships:—

1. That the garrison of Ceylon be maintained at its present established strength of about 1,200 officers and men.

2. That of this force one-third (or about 400 men) be considered as kept in the Island for purely Colonial purposes, and the remainder for Imperial service.

3. That the Colony be required to pay a yearly contribution of Rs. 600,000 as a payment of the whole cost of the 400 men kept for Colonial service, and in consideration of the further advantages which the Colony will derive from the retention of the force for Imperial service, and from the transfer to Army votes of the cost of providing barrack and store buildings which previously fell upon the Colony.

4. That the above contribution be paid by equal instalments for 5 years commencing from 1st January, 1885, and that in the year 1889 a fresh arrangement be entered into for the subsequent period.

It will be observed that the first three of these proposals are contained in the enclosed draft report of the War Office Committee on Ceylon expenditure, which has been deferred pending the proposed reconstitution of the Committee.

The course now proposed will, if adopted, relieve the Colony of an annual charge of Rs. 640,000, as compared with the contribution paid up to 31st December last, or Rs. 400,000 on that payable for the present calendar year, and will increase Army votes by the corresponding amounts of £53,333 or £33,333 respectively, the rupee being taken at 1*s.* 8*d.*

I have, &c.,

The Secretary, Treasury. H. T. DE LA BERE.

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* Not sent.

Enclosure No. 12 in No. 12.

The COLONIAL OFFICE to the TREASURY.

Downing-street, 14th October, 1884.

SIR,—UPON receipt of your letter of the 30th ultimo, 15,699/84, relating to the question of the Ceylon Military contribution, a telegram was sent to Governor Sir Arthur Gordon embodying the proposals which had been made in the letter from the War Office to the Treasury of the 22nd ultimo, and strongly urging their acceptance.

2. It was rather with a view to closing the discussion, which has now lasted for so many months, than because he concurred in the terms of these proposals, that Lord Derby recommended them to the Local Government, and his Lordship is consequently not surprised to learn by telegraph that the arrangement is regarded with great dissatisfaction, and that the Governor himself would prefer the total withdrawal of the troops from Ceylon.

3. Such being the state of the case, his Lordship would ask the Lords of the Treasury favourably to consider the following observations.

The Colonial Government, it will be remembered, specified Rs. 500,000 as the utmost which the Colony could afford to pay on account of its garrison, and 400 men as the maximum number required for Colonial purposes.

The War Office Committee in their draft report (which is returned for facility of reference) agree that only 400 men are required for the service of the Colony, and they calculate that the Colonial revenues, if charged with the cost of these 400 men, should contribute the sum of £43,000, equivalent at 1*s.* 8*d.* the rupee to Rs. 516,000. The report, however, goes on to recommend that in view of the fact that the Colony will have the advantage of the additional troops which will be stationed there for Imperial purposes, and that the cost of providing barracks and store buildings will in future be charged upon Imperial instead of Colonial revenues, the annual contribution should be fixed at Rs. 600,000.

It appears to Lord Derby that it is no matter for surprise that this latter proposal has not been regarded by the Colonial Government as equitable.

In the first place, as their Lordships are aware, it has always been contended both in the Colony and by this Office, not only that the number of the garrison is excessive, but also that the charges incurred on account of the present number are, through the costliness of the Staff and other causes, unnecessarily heavy, and consequently, if the calculation made by the War Office as to the amount which the Colony should pay on account of 400 men (viz., £43,000) is accepted as the basis of an arrangement, it is obvious that a considerable concession is made from the Colonial point of view.

In the second place, it is not clear what advantage the Colony will derive from the presence of a number of troops beyond that which is definitely stated to be the largest number that can possibly be required for the service of the Colony. That force is stated by the Governor to be 300 or 400 men, and the acceptance of the larger number is a distinct advantage to the Imperial Exchequer.

Lord Derby cannot doubt that their Lordships will agree that that Colony, which is suffering from great financial depression, would not be justified in incurring a large unnecessary expenditure. Again, it may fairly be argued that if the Colony will derive advantage from the presence of troops over and above the number for which it pays, the Imperial Government will be equally benefited by having the Colonial force of 400 men in reserve, to be used in case of emergency for Imperial purposes.

It is further understood that, though in all probability the present strength of the Ceylon garrison will be retained, the Imperial Government is naturally not prepared to give a definite undertaking to this effect, and it is therefore conceivable that circumstances might arise under which the Colony would pay Rs. 600,000 for above 400 men; or, in other words, contribute at a higher rate then the present, to which so much exception has been taken.

In the third place, the apparent concession made by the Imperial Government in the transfer of the charge for providing barrack and store accommodation from Colonial to Imperial funds, is practically valueless, for the Governor states that there is no likelihood that these buildings will require any material expenditure upon them during the next five years.

4. Lord Derby would ask the Lords of the Treasury to take these points into consideration, and in view of them to allow the arrangement which has been proposed to be so far modified that the Colony shall pay only the actual cost of the purely Colonial contingent—viz., £43,000 or Rs. 516,000, instead of Rs. 600,000.

Their Lordships appear from their previous letters to consider that the Colony is demanding relief at the expense of the Imperial Exchequer, and Lord Derby would point out that this is not, and never has been, the position which has been taken up.

It is only asked that the local revenue shall not be burdened with a larger sum than is involved in meeting the entire cost of troops retained on account of Colonial requirements. This sum has been shown to be Rs. 516,000, and it is earnestly hoped that their Lordships will see the equity of not demanding a higher sum, and thereby imposing upon the Government and people of Ceylon what they with reason consider to be an inequitable burden. A copy of this letter has been sent to the War Office.

I am, &c.,

R. H. MEADE.

The Secretary to the Treasury.

Enclosure No. 13 in No. 12.

The Colonial Office to the Treasury.

Downing-street, 29th October, 1884.

Sir,—In continuation of the letter from this Department of the 14th instant, I am directed by the Earl of Derby to enclose for the information of the Lords of the Treasury a schedule of certain statistics bearing upon the subject of the present financial condition of Ceylon, which it is understood the Lords of the Treasury would be glad to have before them in considering the question of the Military contribution.

2. In forwarding these figures, however, Lord Derby wishes me again to repeat that the reduction from Rs. 600,000 to Rs. 516,000 is sought for, not on the grounds of poverty, however strong they may be, but on the score of justice.

His Lordship considers it to be only equitable that the Imperial Treasury should rest satisfied with the payment of the whole cost of the 400 men to be retained for Colonial purposes, which exceeds by one-fourth the minimum fixed by the Governor as really necessary.

The question of requiring a general contribution to Imperial expenditure from Colonies, over and above the full cost of any troops actually employed in their defence, is of course a fair one for discussion, but it should be treated separately, and not applied for the first time in the case of a Colony struggling under considerable difficulties, which for many years has paid a Military contribution more than double the cost of the troops it actually required.

3. As regards the finances of Ceylon, their Lordships have already been informed that the subject has been most carefully investigated. Retrenchment has been rigidly enforced in many branches of expenditure, and where no decrease is shown the fact can be accounted for by the reluctance of the Secretary of State to reduce those items which affect the interests of the natives. As it is, the spread of education will, it is feared, be checked, and the all-important work of restoring the irrigation tanks suffer from want of funds.

The probable necessity of increasing the taxation has been faced, and additional import and stamp duties are under consideration, but their Lordships will appreciate the difficulties of increasing taxes in Ceylon, where the native population is unavoidably taxed on the necessaries of life, their rice and salt, and where the European residents, on whom any additional taxation would mainly fall, are the principal sufferers from the commercial depression which has proved so injurious to the revenue of the Island.

4. Since the foregoing portion of this letter was prepared, a telegram has been received from the Governor, from which it appears that he has communicated to the Legislative Council the proposal made in the Treasury letter of the 30th ultimo, fixing the contribution at Rs. 600,000, and that the Council is prepared to accept that arrangement.

The Lords of the Treasury will, however, clearly understand that the Colonial Government have formed their opinion on imperfect information, not having before them the statistics contained in the draft report from the War Office, and that the Secretary of State adheres to his view that it is, for the reasons which have been given, unjust to demand a higher sum than Rs. 516,000.

I am, &c.,

The Secretary to the Treasury. R. H. MEADE.

Schedule referred to.

The three years taken for purposes of comparison are 1874 (the year from which the present Military contribution has been paid under protest), 1877 (the most flourishing year of the Island), and the current year (Estimates):—

	1874.	1877.	1884.
	£	£	£
A.—Total Revenue	1,241,558	1,596,205	1,034,416
including 1. Land Revenue ...	80,821	101,679	70,833
2. Customs	268,203	314,230	225,000
3. Licenses	173,304	205,781	121,666
4. Railways* ...	221,167	339,037	225,000
* Mileage of ...	91½	118¾	157¾
	£	£	£
B.—Total Expenditure	1,110,181	1,437,266	1,030,720
including 1. Establishments ...	354,761	411,143	379,370
2. Works and Buildings ...	24,137	46,663	10,865
3. Roads, Streets, Canals, &c.	185,319	277,489	115,569
4. Hospitals ...	16,111	39,796	35,202
5. Education (exclusive of Establishments) ...	14,573	17,656	20,855
6. Interest on Debt (exclusive of Railway debts) ..	2,059	8,471	41,283
7. Railways (including interest on debt) ...	115,163	149,079	132,043

N.B.—Latest advices from Ceylon are to the effect that there will be a deficit on the Budget of the current year.

C.—*Debt.*

1874.		1877.		31st Dec, 1883.
£		£		£
637,500	...	773,812	...	2,124,108*

D.—*Taxation.*

The amount of Revenue produced by Taxes (exclusive of Local Rates) was, in rupees :—

1874.		1877.		1884.
Rs.		Rs.		Rs.
8,408,658	...	9,900,355	...	8,211,000

The Population was :—

1874.		1877		1884.
2,418,741	...	2,755,557	...	2,763,984

The rate of taxation per head was therefore about the same in 1874, and shows a small decrease in 1884.

Enclosure No. 14 in No. 12.

EXTRACT from a Letter from the TREASURY to the COLONIAL OFFICE, dated 6th November, 1884.

THE Lords Commissioners of Her Majesty's Treasury have had before them Mr. Meade's letters of the 11th and 29th ultimo, as to the Ceylon Military contribution.

The draft report of the War Office Committee of this year on Military expenditure in that Colony has shown that

	800 men, costing	£86,000	per annum, are required for Imperial purposes.
	400 do.	£43,000	per annum, are required for Colonial purposes.
Total —	1,200	£129,000	

The Earl of Derby accordingly purposes to fix the Military contribution from 1st January next at Rs. 516,000 per annum, being the equivalent at 1*s.* 8*d.* the rupee of £43,000.

The Secretary of State for War, however, following the advice of the Committee, desires to fix the amount at Rs. 600,000, and the Legislative Council of the Island, acting on telegraphic information only, appear to have consented to pay that sum.

It is clear from the terms of both Mr. Meade's letters that, in the opinion of the Secretary of State, the full cost of the purely Colonial portion of the garrison instead of being, as my Lords regard it, the minimum contribution that could be accepted as sufficient from a solvent Colony, is the outside that can equitably be demanded in the form of a Military contribution, so much so, that any excess beyond that cost in previous payments ought in strict justice to be taken in diminution of future claims.

This, however, is a view of the obligations of a British Colony which, as intimated in the letter from this Department of 28th August last, my Lords are unable to adopt, so long as no contribution be demanded from it towards the expenses of the Royal Navy. But I am to state that their Lordships will consent to the reduction of the Military contribution from Ceylon to Rs. 516,000 per annum, payable by equal monthly instalments in the Colony for five years from 1st January next, if the Secretary of State will concur in the demand of some reasonable contribution from that Colony, so soon as its finances have recovered from their present embarrassment, towards the cost of Her Majesty's ships on the East Indian Station.

Their Lordships are communicating with the Board of Admiralty, with a view to settling a fair basis for a Naval contribution, in the case not only of Ceylon but of other Crown Colonies that may be able to afford it, upon the understanding that such contribution is to be in aid of the general expenses of Her Majesty's ships at Home and on the Station, and not to entitle the Colony to any voice in the disposition of those ships or in composition of the squadron.

Colonies possessing representative institutions, like Canada and Victoria, are, my Lords are glad to see, already making this contribution in kind under the provisions of the Colonial Naval Defence Act, 28 Vic., cap. 14; and their Lordships would be willing to allow any Crown Colony to adopt a similar method of contribution in lieu of one in money, provided that it were left to the Board of Admiralty to determine the character and adequacy of the contribution in kind on the basis of a previous assessment in money.

The Secretary of State has been good enough to comply with my Lords' request for some evidence of the financial inability of Ceylon at present to pay a larger Military contribution than is now proposed. It is plain however that, depressed as the condition of the Colony undoubtedly is, in comparison with its position in 1877, a contribution of Rs. 516,000 is a lighter burthen relatively to its revenue and to its other expenditure than the contribution of Rs. 1,240,000, which it undertook to pay in 1874. The proposed saving on the contribution will more than cover the whole increase of charge for debt and management of railways since 1874.

From Mr. Meade's letter of 23rd October, 1883, it appears that only a year ago the Secretary of State considered that the Colony could afford to pay a contribution of Rs. 826,700 for 1884 and *succeeding* years.

The charge for the defence of the Colony, at the rate of contribution now proposed, will be little more than 4 per cent. per annum on the total public revenue, whilst the Naval and Military

* The great increase in the debt between 1877 and 1884 is due to money being borrowed for construction of Railways and the Colombo Breakwater.

expenditure of the United Kingdom is over 20 per cent. of its total income from both Imperial taxes and local rates.

Bearing these considerations in mind, my Lords are of opinion that, so soon as the public revenue of Ceylon has reached £1,200,000 per annum, it could afford, and might justly be called upon to pay, a Naval contribution not exceeding Rs. 360,000 per annum, in addition to the charges of a new loan for fortifications.

Enclosure No. 15 in No. 12.

EXTRACT from a Letter from the COLONIAL OFFICE to the TREASURY, dated 12th November, 1884.

Lord Derby has received and carefully considered your letter of the 6th instant, $\frac{16733}{17472}$/84 on the subject of the Ceylon Military contribution.

2. In this letter it is suggested:

That the amount to be paid by Ceylon during the five years dating from the 1st of January next shall be Rs. 516,000, payable by equal monthly instalments, provided that the Secretary of State will concur in the demand of some reasonable contribution from the Colony towards the cost of Her Majesty's ships on the Eastern Station, as soon as its finances have recovered from their present embarrassment. The finances are, it seems, to be considered as recovered when the revenue reaches the sum of £1,200,000 per annum, and a reasonable Naval contribution is set down at a sum not exceeding Rs. 360,000 per annum, in addition to the charges of a new loan for fortifications.

3. In other words, the Lords of the Treasury wish the Secretary of State to pledge himself that when the revenue of the Colony reaches a sum less by nearly £400,000 than the revenue received seven years ago, the Colony shall pay, not Rs. 600,000 per annum as proposed in their Lordships' letter of the 30th of September, but a sum of Rs. 876,000 per annum in addition to "the charges of a new loan for fortifications," a phrase which is not easy to understand, seeing that it is not proposed at present to erect any fortifications in Ceylon except at the purely Imperial station at Trincomalee.

4. It must be evident to their Lordships on reconsideration, that no pledge of the kind can be given; indeed it is difficult to understand how the data on which the proposal has been made have been arrived at, and how, before the Lords of the Admiralty have given a full report on the subject of Naval contributions, or the obligations of the various parts of the Empire in this respect have been to some extent compared and measured, the share which Ceylon ought to pay has been so definitely fixed at a sum not exceeding Rs. 360,000.

5. However, Lord Derby has no wish to enter at length into this subject at the present time; he can only repeat the words used in the letter from this Department of the 29th ultimo, to the effect that the question of requiring all the various Colonies and Dependencies to make a contribution to the Imperial expenditure over and above the full cost of any troops actually employed in their defence, is a fair one for separate discussion; and further, that it is one in regard to which Ceylon may be held to have conformed to their Lordships' views by the payment for so many years past of an amount more than double the cost of the troops required for Colonial purposes.

6. It now rests with the Lords of the Treasury finally to determine whether or not under these circumstances the Military contribution of Ceylon shall be fixed at Rs. 516,000 for five years from the 1st of January next, or whether the larger sum of Rs. 600,000 shall be exacted, and Lord Derby would ask for as early an answer as possible, as the year is now so far advanced.

Enclosure No. 16 in No 12.

EXTRACT from a Letter from the Treasury to the Colonial Office, dated 17th November, 1884.

THE Lords Commissioners of Her Majesty's Treasury have had before them Mr. Bramston's letter of the 12th instant as to the Ceylon Military contribution.

I am to state for the information of the Earl of Derby that my Lords are heartily desirous of finding a common ground on which they can come to terms with the Secretary of State for the settlement of this question, and they regret that there should have been anything in their letter of the 6th instant apparently tending to hinder such an agreement.

Hitherto the cause of difference seems to have been that the Treasury has looked upon the contribution as practically in general aid of the cost of defence, whilst the Colonial Office has insisted that it ought not to exceed the purely Colonial share of Army expenses proper. My Lords, desirous of falling in with this latter view, now agree that in accordance with it the Military contribution of Ceylon shall be Rs. 516,000 per annum for the five years from 1st January next, payable by equal monthly instalments in advance in the Colony. All they ask in return, or asked in their letter of 6th instant, is that the Secretary of State should concur in the demand of a reasonable Naval contribution from Ceylon, so soon as the finances of the Colony have recovered from their present embarrassment; or, in other words, so soon as the Colony can afford it, and should consent to deal with other Crown Colonies on a like principle.

If my Lords read Mr. Bramston's letter aright, the Secretary of State accepts the principle of charging Colonies whose finances are under the control of the Home Government, with some part of the cost of their Naval as well as their Military defence.

Starting from this principle, my Lords thought it expedient to give some general indication of what they meant by a reasonable Naval contribution, and ability to afford it in the case of Ceylon, and it is this part of their letter of the 6th instant which fails to meet with the approval of the Secretary of State.

My Lords do not command the means of judging of the resources of Ceylon possessed at the Colonial Office, but it seemed not unfair to suggest that, when the revenue of that Colony had increased by 20 per cent. on its present amount—i. e., had returned to about the amount at which it stood in 1874, when the Secretary of State consented to a Military contribution of Rs. 1,240,000, an annual sum *not exceeding* Rs. 360,000 (= £30,000), or about 15 per cent. of the increase of revenue, might be devoted to a Naval contribution, even though the Colony had to raise a new loan for fortifications. Of course, if the Colony does not intend to fortify Colombo, it will depend all the more on the protection of the Navy, and can spare all the more towards a Naval contribution.

A combined Military and Naval contribution of Rs. 876,000 would not very seriously exceed the amount which the Secretary of State proposed last year to charge the Colony permanently as a Military contribution.

Nevertheless, my Lords do not expect that the Secretary of State will pledge himself to any precise amount of Naval contribution, when they themselves have only felt justified in suggesting what might be a maximum under certain circumstances.

They would, however, express their complete dissent from a view which is hinted at in paragraph 4 of Mr. Bramston's letter, viz., that no Naval contribution ought to be asked from one Colony until a general scheme has been framed and accepted by all concerned for every part of the British Empire. Colonies with representative institutions and responsible Government may perferably fulfil their obligations by contributions in kind, which they can regulate according to their interests or sense of duty; but Crown Colonies stand on a different footing, and as exceptions among them from all charge are obviously necessary on the plea of poverty, (e.g., in such cases as St. Helena and Heligoland,) Colonies that are better off should not be allowed to plead exemption on the ground that others do not pay. Their contribution should be determined by the value of the benefit they receive and their ability to pay for it, not by the contributions of others.

Enclosure No. 17 in No. 12.

The Colonial Office to the Treasury.

Downing-street, 24th November, 1884.

Sir,—I am directed by the Earl of Derby to acknowledge the receipt of your letter of the 17th instant, 18,165/84, on the subject of the Ceylon Military contribution.

2. Lord Derby fully appreciates the consideration which has been shown by their Lordships in regard to the question, and he does not propose to offer any further criticism on points of detail.

3. The correspondence which has lately passed will now be forwarded to the local Government, who will be asked to consider the two alternatives of paying an annual sum of Rs. 600,000 for five years from the 1st January next, without any ulterior arrangement during that period, or of paying an annual sum of Rs. 516,000, with the possible prospect of further payments on account of Naval contribution in the event of a return of financial prosperity

In either case, it is clearly understood that the immediate charge on the revenues of the Colony for Military and Naval purposes of all kinds will not exceed Rs. 600,000, payable in the Colony by monthly instalments from the 1st January next.

3. Their Lordships may be interested to know that the financial proposals of the Ceylon Government for 1885 include increase of Customs duties, additional stamp duties, and higher rates of postage.

I am, &c.,

The Secretary to the Treasury. R. G. W. HERBERT.

No. 13.

The Right Hon. the Earl of Derby to Governor the Hon. A. H. Gordon, G.C.M.G.

Ceylon.—No. 359. Downing-street, 28th November, 1884.

Sir,—In continuation of my Despatch No. 351 of the 25th instant, I enclose for your careful consideration a copy of a further letter from the Treasury on the Military Contribution question, together with a copy of the reply.

I have, &c.,

DERBY.

Enclosure No. 1 in No. 13.

The Treasury to the Colonial Office.

18,820/84. Treasury Chambers, 27th November, 1884.

Sir,—The Lords Commissioners of Her Majesty's Treasury gather from your letter of the 24th instant that the Earl of Derby intends to propose to the Government of Ceylon to compound

all claims for a Naval contribution during the five years from 1st January next by paying Rs. 84,000 per annum for that period, in addition to the Military contribution of Rs. 516,000 per annum.

If anything be paid beyond the Rs. 516,000, it will be regarded as in recognition of the claim to a Naval contribution, and be transferred as such to the Board of Admiralty in aid of Navy votes. It can hardly be supposed that Rs. 84,000, or £7,000 per annum, represents the benefit derived by Ceylon from the protection of the East India Squadron, but pending the recovery of the Colonial finances and the settlement of a just basis for calculating a Naval contribution, my Lords will gladly receive the proposed payment of Rs. 84,000 per annum for the next five years.

I am, &c.,

The Under Secretary of State, Colonial Office. R. R. W. LINGER.

Enclosure No. 2 in No 13.

The COLONIAL OFFICE to the TREASURY.

Downing-street, 28th November, 1884.

SIR,—I AM directed by the Earl of Derby to acknowledge the receipt of your further letter of the 27th instant, 18,820/84, on the subject of the Ceylon Military contribution.

2. The letter from this Department of the 24th instant stated distinctly the alternatives which have been laid before the Local Government, and Lord Derby will at present add nothing to the statement already made, but a copy of the communication now under reply will be forwarded by to-day's mail to the Colony with the rest of the correspondence.

3. A copy of the despatch which has been already written to the Governor is enclosed.*

I am, &c.,

The Secretary to the Treasury R. G. W. HERBERT.

No. 14.

The Hon. A. H. GORDON, G.C.M.G., to the Right Hon. the EARL OF DERBY.

No. 94. *Military.* The Pavilion, Kandy,
Ceylon, 26th February, 1885.

MY LORD,—IN your Lordship's despatch No 351, of the 25th November, you inform me that the Lords of the Treasury are not indisposed further to reduce the contribution paid by this Colony on account of Military Expenditure from Rs. 600,000 to Rs. 516,000, "on the understanding that in "the event of the financial outlook of the Colony becoming more satisfactory, some further amount "will be paid as a contribution to the cost of the Imperial Government." Your Lordship adds that you "have not felt justified in binding the Colony under the latter alternative without "giving the Ceylon Government an opportunity of fully considering the subject." In a further despatch, No. 359 of the 28th November, your Lordship encloses a copy of a letter from the Treasury, in which it is intimated that any payment made by this Colony in excess of Rs. 516,000 will be regarded as made on account of Naval expenditure, and as such handed over to the Admiralty "in aid of Navy votes," and that the payment will be held to constitute a recognition of the claim "to a Naval contribution" from the Colony; that is to say, (1) the Treasury is willing to consent to the reduction, or at least temporary reduction, of the Military contribution to Rs. 516,000, if the Colony consents hereafter to pay some indefinite sum for some indefinite Imperial purpose; but (2) if the Colony does not accept this understanding, and prefers to continue the payment of Rs. 600,000, it is equally to be considered, if it makes any payment beyond Rs. 516,000, as admitting a further claim, and as actually paying a Naval as well as a Military contribution.

2. Your Lordship in your reply to this letter has pointed out that in your previous letter to the Treasury you had distinctly stated the alternative which had been laid before the local Government, and you decline to add anything to that statement. For the adoption of that course the thanks of this Government are justly due to your Lordship.

3. These despatches have been communicated by me to the Members of my Executive Council, and I enclose for your information copies of a Minute* of the Acting Colonial Secretary on the subject, which was adopted by most of his colleagues. I also enclose a Minute† by the Attorney-General, and one by the Major-General commanding the Troops.

4. There is naturally a general preference on the part of the Executive Council for the payment of Rs. 516,000 to one of Rs. 600,000, but there is a general indisposition to accept any vague and indefinite responsibility for the future. Considerable alarm, however, was felt and expressed lest, bearing in mind the terms of the Treasury letter of the 27th November, it should be found that, *whichever* course was adopted by this Government, it would be equally held to have "admitted" its liability to be called on to pay large and indefinite sums for Naval and Imperial purposes.

5. I do not myself share this apprehension, because your Lordship very plainly states that it is only the alternative proposed in your Lordship's despatch No. 351 that it is at present necessary for us to consider, viz., whether we will accept a reduction coupled with the condition

* No. 351 of 24th November (No. 12). † Not printed

that in the event of the financial outlook of the Colony becoming more satisfactory, some further amount will be paid as a contribution to the cost of the Imperial Government, or will pay Rs. 600,000 without any pledge or condition as to other contributions.

6. If this interpretation be correct, the majority of Council are agreed with me in thinking it safer to adhere to the payment of Rs. 600,000, free from conditions, than to involve ourselves in indefinite and perhaps very onerous obligations for the sake of a small immediate advantage.

7. They however consider,—and in this I am disposed to agree with them,—that, now that it has been so clearly laid down that Rs. 516,000 is to be regarded as the whole cost of the force necessary for the wants of the Colony, and so broadly stated by the Treasury that anything in excess of that amount will be regarded as a Naval contribution, and paid over as such to the Admiralty, it is very questionable whether more than Rs. 516,000 ought properly to be paid by this Colony, for it appears to be distinctly avowed that the excess is not required for the purpose for which it has been voted, and will be applied to objects for which it has *not* been voted by the Legislative Council.

I will not now discuss at any length the principle of Colonial contributions for general Imperial purposes. Its adoption would mark a very new departure in English Colonial policy, and an abandonment of what has hitherto formed one great superiority of the English over the Dutch system of Colonial Government,—viz., that the revenues of the Colony were expended on the Colony. I believe that in the long run it will be found far more advantageous to the Empire and to the Imperial Government itself, that surplus revenues should be spent on the development and improvement of a Colony, than that its wants should be inadequately met, and public works and general progress starved and stinted, in order to extract from the Colony sums, large as regards the Colony deprived of them, but contributing only a paltry assistance to the Imperial Exchequer. Moreover, if once the principle be established, it will be difficult to put a limit to its application, and I venture to predict that the great temptation to the financial authorities at Home to pare down the sums allowed for the purposes of Colonial Government, and to arrest the commencement of public works and improvements, in order to be able to extract by these means a larger, though at best insignificant, contribution to the English Treasury, would be too strong to be always resisted; and that the tendency to increase the amount of tribute thus levied would grow with its indulgence. The results would be disastrous to the Colony, without being attended by any adequate corresponding benefit to the Empire.

I have, &c.,
ARTHUR GORDON.

No. 15.

The Right Hon. the EARL OF DERBY to Governor the Hon. A. H. GORDON, G.C.M.G.

Ceylon.—No. 106. Downing-street, 27th March, 1885.

SIR,—I HAVE the honour to acknowledge the receipt of your despatch No. 94 of the 26th February, on the subject of the Ceylon Military contribution.

I agree with the view stated in the 6th paragraph of your despatch, "that it is safer to "adhere to the payment of six hundred thousand rupees, free from conditions, than to involve "ourselves in indefinite and perhaps very onerous obligations for the sake of a small immediate advantage"; and I enclose a copy of a letter which has been addressed in that sense to the Lords of the Treasury.

I have, &c.,
DERBY.

Enclosure in No. 15.

The COLONIAL OFFICE to the TREASURY.

Downing-street, 27th March, 1885.

SIR,—THE Lords of the Treasury will remember that in the letter from this Department of the 24th of November last it was stated that the correspondence which had passed on the subject of the Ceylon Military contribution would be referred to the Colony, and that the local Government would be asked to choose one of the two following alternatives:—

(*a*) The payment of an annual sum of Rs. 600,000 for five years from the first of January last, *without any ulterior arrangement during that period.*

(*b*) The payment of an annual sum of Rs. 515,000 *with the possible prospect of further payments on account of Naval contribution in the event of a return of financial prosperity.*

2. The reply of the Colonial Government has now been received, and though under present circumstances, when they have been compelled to increase the stamp duties, the Customs duties, and the rates of postage, in order to carry on with efficiency the ordinary civil Government of the country, they would gladly have paid only Rs. 516,000 instead of Rs. 600,000, they prefer, in the Governor's words, to pay the higher sum, "without any pledge or condition as to other "contributions," rather than involve themselves in indefinite, and perhaps very onerous, obligations for the sake of a small immediate advantage.

In this view Lord Derby concurs.

The alternative, it will be remembered, is between a higher sum, unfettered by any condition, and a lower sum with a condition attached to it. It is necessary to lay stress on this point, because

the Treasury letter of the 27th of November may be open to misunderstanding in regard to it. In that letter their Lordships state "that the Earl of Derby intends to propose to the Government of Ceylon to compound all claims for a Naval contribution during the five years from 1st January next by paying Rs. 84,000 per annum for that period in addition to the Military contribution of Rs. 516,000 per annum." It is further stated that anything paid beyond Rs. 516,000 will be regarded as "in recognition of the claim to a Naval contribution," and they intimate that this sum is only accepted "pending the recovery of the Colonial finances."

Their Lordships will of course place what construction they please upon the payment of Rs. 600,000, but they will bear in mind that the Secretary of State and the Colonial Government do not hold themselves bound by the terms of the letter in question, or by the manner in which their Lordships may think fit to dispose of the contribution. The payment of Rs. 600,000, as contrasted with the smaller payment of Rs. 516,000, is a payment, it must be repeated, which involves no conditions and recognises no ulterior claims; and when this subject is re-opened at the expiration of five years, it will be understood that the Colonial view of the question is entirely unprejudiced.

In the meantime the annual sum of Rs. 600,000 will be paid during the five years 1885–1889, and the correspondence on the subject will, as far as this Department is concerned, be considered for the present to be closed.

A copy of this letter has been sent to the War Office.

I have, &c.,
R. H. MEADE.

The Secretary to the Treasury.

No. 16.

Sir R. G. W. Herbert to Governor the Hon. A. H. Gordon, G.C.M.G.

Ceylon.—No. 127. Downing-street, 15th April, 1885.

Sir,—I am directed by the Secretary of State to transmit to you for your information with reference to his dispatch No. 106 of the 28th of March, the document specified in the annexed Schedule.

I have, &c.,
ROBERT G. W. HERBERT.

The Officer Administering the Government of Ceylon.

Date.	Description of Document.
13th April	Copy of letter from the Treasury closing the correspondence on the subject of the Military contribution.

Enclosure in No. 16.

The Treasury to the Colonial Office.

5,338/85. Treasury Chamber, 13th April, 1885.

Sir,—The Lords Commissioners of Her Majesty's Treasury direct me to acknowledge the receipt of Mr. Meade's letter of the 27th ultimo, intimating by desire of the Earl of Derby that the Government of Ceylon will pay a Military contribution of Rs. 600,000 per annum for the five years from 1st January, 1885, in equal monthly instalments in advance in rupees in the Colony, and that this contribution includes Rs. 84,000 per annum by way of composition for any further payments on account of Naval contribution during such five years, that might otherwise be asked for in the event of a return of financial prosperity.

My Lords accept this arrangement, and cannot regret that the correspondence leading to it should be now closed.

I have, &c.,
JOHN F. HIBBERT.

The Under Secretary of State, Colonial Office.

XIV.—1885.

BACKWATER AT KALUTARA.

RETURN to an Order of the LEGISLATIVE COUNCIL dated 11th December, 1885.

"That Correspondence between Government, the Public Works Department, and the Local Board of Kalutara, with reference to the Lagoon or Backwater at Kalutara (caused by the formation of a sandbank across the Kalu-gaṇga near its southern extremity), together with any Medical Reports on the subject which may have been made at different times by the several Medical men who have been stationed at Kalutara, may be laid on the Table."

(Hon. A. L. De Alwis.)

Ordered by the Legislative Council to be Printed.

Colombo:

GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1885.

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THE BACKWATER AT KALUTARA.

No. 1.

To His Excellency Sir JAMES ROBERT LONGDEN, K.C.M.G., Governor and Commander-in-Chief in and over the Island of Ceylon, with the Dependencies thereof.

The humble Petition of the undersigned Inhabitants of Deśśtara Kalutara.

HUMBLY SHOWETH,—THAT your Excellency's humble petitioners beg to be pardoned for thus venturing to trespass upon your Excellency's precious moments, and with every deference to state that since one year or fifteen months the owners of lands situated along the seabeach near the mouth of the Kalutara river are suffering great losses by the washing of the sea and the consequent falling of cocoanut trees of the age of 75 years and upwards.

The garden which adjoined the mouth of the river lost more than 200 or 300 trees, leaving only 12 trees and about few perches; the next garden to the North also lost about 300 trees; and, in short, all lands as far as the Buddhist temple, a distance of about a mile from the mouth of the river to the North, have lost many acres of land and several hundreds of trees.

This distressing loss of property is attributed by men of experience in the village to the formation of the sandbank right across the Kalutara river from the seashore to the opposite bank, thereby shutting up the Southern part of the river. This is an unusual occurrence, and during the last half century this is the third time that such a sandbank was formed; the two first banks were of very short duration, and they disappeared by themselves, but the present one is increasing.

That by the river being thus divided into two by the formation of the said sandbank, the inhabitants of Kalémulla and Kaṭukurunda are suffering great inconvenience, as they are unable to take their pada boats to their villages.

The Moraṭuwa arrack renters, who convey the arrack they purchase on that part of the country, are also suffering great losses and inconvenience by being obliged to convey their arrack in carts to Kalutara, instead of loading the same at once in the pada boats which they formerly take to Kalapuwa.

That if the said sandbank is opened up by cutting a canal from the Northern part of the river to the Southern part, it is believed that the present washing of the sea inwards will cease.

Wherefore the petitioners humbly pray that your Excellency may be graciously pleased to take the above matters into consideration.

And the petitioners, as in duty bound, shall ever pray.

Kalutara, 21st November, 1879. [Signed by 59 persons.]

No. 2.

REPORT of the CHAIRMAN of the Local Board of Kalutara on the above Petition.

THERE is no doubt that there has been of late months a very considerable destruction of property from gardens adjoining the sea on the coast to the North of the Kalutara river. There are several trees now lying in the sea, which have been washed away by the action of the sea; and it is evident that there must be a considerable loss, even yet, to the owners of the gardens, as the sea is daily encroaching. The fishermen also, a most industrious class, complain to me of the damage done to their nets by these fallen trees. I am of opinion myself that there must have been at all times a tendency in this direction during the North-East monsoon, and petitioners themselves admit that it was on two former occasions found necessary to cut the sandbank between the river and the backwater to relieve their property.

From some cause, for which I have not heard any satisfactory explanation, the new bridge has had the effect of rendering the present mouth of the Kalu-gaṇga permanent, and the result of this has been that the sea is exercising a more direct impression upon lands lying to the North of the river. In former years an annual expenditure of Rs. 600 was incurred for opening the mouth of the Kalu-gaṇga, and the temporary sandbank which formed to the South was usually washed away by the floodwater in the South-West monsoon. This year, however, the bank has held, and there is little doubt that, having been gradually strengthened by deposits of sand, it is in a position to withstand any more extreme pressure that may be brought to bear upon it by the floods next year. It is this sandbank that the petitioners desire should be cut for their relief, but their petition requires very careful consideration, and I would solicit the expression of a competent engineer's opinion before coming to any decision.

In connection with this matter I would invite attention to the annexed reports of the Inspector of the Local Board and the Sanitary Officer at this station, on the state of the so-called "lake," and to your letters No. 147 of the 14th February and No. 345 of the 10th April last, with their respective enclosures from the Director of Public Works, on this matter.

The state of the further end of the backwater is, I can personally testify, at present most prejudicial to public health, and, as the dry weather approaches, I am apprehensive of most

serious results to the population of that neighbourhood and the town generally. Its state is no doubt attributable in a great measure to the coir-pits and distilleries along the shores of the lake in that locality, and I propose to take immediate steps to prevent the continuance of these nuisances in the future. I would, however, in the interest both of the landowners on the North of the river, and what are, perhaps, the more important interests of the inhabitants of Wélápura Kalutara, urge upon Government the necessity of deputing, as soon as possible, a competent engineer to report how far it is practicable by any engineering work to give relief to the inhabitants of either portion of the town. It must be remembered that the bar was cut to give relief to districts annually flooded up the river, and now that, as I believe, the river has found a permanent exit, it would be most unwise to in any way interfere with its course.

I annex a list, prepared for me by the Mudaliyár of Kalutara, of the loss of property alleged to have been suffered by some of the petitioners, but I am not in a position to check its accuracy; and the Mudaliyár is of opinion that the actual loss has either been considerably exaggerated, or that the figures represent the loss of several years.

Local Board Office,
Kalutara, 29th December, 1879.

H. WACE,
Chairman.

LIST REFERRED TO.

Name of Land		Name of Owner.		Number of Trees said to have been swept away since the Bridge was put up.
Gajapolyawatta	...	Pavistina Silva, widow of David Pieris	...	16
Do.		Baduge Mathes Fernando	...	44
Modarawatta		B. Anthony Pieris and others	...	—*
Do	.	M. Perera, Mudaliyár	.	125
Do.	.	Sarah Perera	...	24
Do.	..	B. Carolis Perera	...	91
Do	..	J. B. Perera	...	57
Do.	...	Albert Perera	...	82
Do.		B. Salman Perera	...	22
Tuduwewatta	..	S. R. Fonseka and his nephew	..	475
				936

Enclosure No. 1 in No. 2.

The INSPECTOR to the CHAIRMAN of the Kalutara Local Board.

Kalutara, 16th December, 1879.

SIR,—IN compliance with your request, I have the honour to state that I carefully inspected the piece of backwater beginning near the railway station and ending at the Kalapuwa ferry. The results of my observations are as follows :—

1. I find that the water near the station is stagnant, and, owing to the number of cocoanut trees which are rotting in this part of it, emitting a very offensive smell. I am of opinion that it is injurious to those living in close proximity to the said piece of backwater.

2. That the inhabitants residing in the locality complained to me of this noxious exhalation arising from this part of the river.

3. That going Southwards from the railway station, I find (owing to an under-current I believe) that there is no offensive smell.

4. That the end of the river is in a very unwholesome state, as you observed on inspection some time ago. Its present state is, as I humbly think, not conducive to public health.

I therefore respectfully urge the immediate necessity of getting the main river joined to the piece of backwater, in order to have a free current of water, as before, to prevent epidemic diseases.

I have, &c.,
J. H. THOMASZ,
Inspector, Local Board.

Enclosure No. 2 in No. 2.

The SANITARY OFFICER to the CHAIRMAN of the Kalutara Local Board.

No. 185. Kalutara, 20th December, 1879.

SIR,—I HAVE the honour to report to you the result of my inspection of the backwater situated between the railway station and the mouth of the river, and extending in a Southerly direction to a distance of two miles. It would be well to allude briefly to its history, as it would help to make this report more complete.

The backwater alluded to was formerly a continuation of the river, and found its exit into the sea at its extreme Southern point. Owing to inundations in the interior during the burst of the monsoons, and consequent damage done to fields bordering the Kalu-ganga, it was found necessary to secure an outlet at a more Northerly point, so as to give a ready exit to the floods

* The owner was not present to ascertain the number of trees.

during the heavy rains. In averting the evil attendant on failure of crops to the poorer classes at remote hamlets, it cannot be denied that a greater evil has resulted closer to town by cutting off the backwater from the main stream, and isolating a large sheet of water teeming with animal and vegetable life, and exposed to all the consequences of stagnation, putrefaction, and ultimate emanation of noxious gases.

Many months did not elapse since the isolation of the backwater but the result of this step had become apparent. During the heavy fall of rain it is but natural to suppose that, owing to the large volume of water it contained, it did not probably operate unfavourably on the health of the people living on its borders. As the dry weather, however, set in, it was remarked that in localities never before visited by fevers of a malignant type, remittent and typhoid cases occurred. I call attention to typhoid fever in particular, as it is the most fatal type of fever, and not so readily amenable to treatment as the other varieties.

I am aware that the chief causative agency of typhoid exists in the pollution of well-water by excreta, typhoid or otherwise. Other fruitful sources exist in the emanation of noxious gases from sewers, drains, cess-pits; and, from whatever cause it may arise, medical authorities are also agreed that putrescent animal and vegetable matter gives rise to noxious gases, which is one of the causes of typhoid. If such be the generally accepted view of the causes of typhoid fever, I have no hesitation in stating that the backwater, with all its seething mass of animal and vegetable decomposition and its coir-pits, affords a fertile source for the escape of foul gases that may at any time endanger the lives of the people.

I regret that I am unable to offer any suggestion to ensure the protection of the town and avert the evils pointed out, unless it is to restore the previous communication between the backwater and the main stream, or contrive some other means whereby a constant flow of fresh water may be secured from the river.

I am, &c.,
THEODORE MORGAN,
Sanitary Officer.

No. 3.

The Hon. the Colonial Secretary to the Director of Public Works.

No. 13. Colonial Secretary's Office,
Colombo, 7th January, 1880.

Sir,—I am directed to transmit to you the enclosed petition from the inhabitants of Deśestara Kalutara, together with a report thereon by the Chairman of the Local Board of Kalutara, and to request you to advise as to the best course to be pursued in the matter.

I am, &c.,
GEO. T. M. O'BRIEN,
for Colonial Secretary.

No. 4.

The Director of Public Works to the Hon. the Colonial Secretary.

No. 364. Colombo, 25th February, 1880.

Sir,—With reference to your letter No. 13 of the 7th ultimo, forwarding to me a petition from the inhabitants of Deśestara Kalutara upon the question of the damage done to their property by the change that has taken place in the position of the mouth or outlet into the sea of the Kalu-gaṇga at Kalutara, I have the honour to inform you that a precisely similar change has taken place as regards the outlet into the sea of the Kelani-gaṇga in Colombo. The regular outlet near Mutwal point has closed up with a bank of land about 200 yards wide, and about four feet above the level of the water in the river, and the outlet is now on the Hendala side, where the sandbank was cut to allow of the escape of the water when the river was flooded.

I consider this change in the mouths or outlets of both of these rivers into the sea is caused by ocean currents shifting the sand of which the beach is composed, and that it would be useless to attempt by any artificial means to prevent this. These new outlets form a much shorter and more direct line for the river water to escape into the sea, and consequently tend to reduce the inland floods.

I annex a copy of the Provincial Assistant of Colombo's letter No. 76 of the 17th ultimo, with a plan showing the present mouth of the river at Kalutara, and where the sand at E. has silted up and closed the old mouth of the river, and formed the old line of river into a large lake by a sandbank at C. This lake is now at the same level as the sea, and the water is brackish.

If in the wet season the level of this lake rises above that of the sea, a channel might be out to the sea to let off the flood water.

Keeping the shore of this lake clean and free from pollution by coir-pits, distilleries, &c., is a matter that can be dealt with by the Local Board.

It is quite possible that during the floods in the burst of the next S.W. monsoon the river may resume its old course and outlet into the sea, so that the suggestion of filling up the lake now formed would be an enormous and costly work, and all of which might at any time be swept away again.

The erection of the new bridge over the Kalu-gaṇga at Kalutara has not, in my opinion, anything whatever to do with this change in the river mouth, for a similar change has taken place in the outlet of the Kelani-gaṇga in Colombo, where there is no bridge.

I have therefore the honor to advise that the laws of Nature be allowed to take their own course; for, without incurring a very large expenditure, it would be impossible to erect any works sufficiently substantial to stop the shifting of the sand of the beach; and, as far as the general interest of the people of the Kalutara District is concerned, the present river outlet is much better than the old one

The enclosures of your letter are herewith returned.

I am, &c.,

J. F. CHURCHILL,
Director of Public Works.

Enclosure in No. 4.

The PROVINCIAL ASSISTANT, Western Province, to the DIRECTOR OF PUBLIC WORKS.

No. 76. Colombo, 17th January, 1880.

SIR,—ON the 18th ultimo I inspected, with the Superintending Officer, Kalutara, the damage done at the mouth of the Kalu-gaṇga by the encroachment of the sea, and also went over the backwater up to the extreme end. I annex a tracing to make my report clearer. I have marked in red the present mouth of the river, and show approximately by a dotted red line from A. to B the sea encroachment which has caused the damage and loss of property complained of in the petition to His Excellency.

It would be impossible to say positively whether the construction of the new bridge has been the cause of some alteration in the current of the river, and has consequently made the present mouth, which formerly only remained open for a few months, permanent; but, whatever the cause, this is the result.

I am of opinion that the remedy proposed would be of no use whatever: I refer to the cutting of the bank between the river and the backwater marked C. on plan. To make this cutting of any value it would be necessary to close the present mouth of the river—a very different work to cutting it open when closed, and, I need scarcely say, an impossibility. As long as the river continues to discharge through the direct mouth at A., and the sea does not silt up that mouth, any attempt to lead the river through the backwater and into the sea further down would inevitably prove abortive. This will be evident when it is considered that the fall in the bed of the river of a few inches at most extends in the present mouth over a few yards, and in the proposed mouth would be spread over about a mile.

I should explain that the level of the backwater is the same as that of the sea.

Of course it is quite possible that the present mouth of the river may again silt up, and then I think it would be a question whether it should be cut again, or whether the lower mouth should not be opened, and thus allow the river for a time to flow through the backwater.

I can see no way of stopping the sea encroachment and consequent loss of property except by building a sea-wall; and as this would be an expensive work, it is very doubtful whether it would be worth doing. The damage will probably not extend much further.

I now come to the question of the backwater. With no wish to question Dr. Morgan's statements, I cannot but think that the nuisance caused by this has been much exaggerated The backwater being at the same level as the sea, it is evident that it is supplied by sea water filtering through the sand. On the day I passed over it it seemed to me that the water was clear and pure, except in the further end, where it is poisoned by coir-pits and arrack distilleries. I mark the portion on the plan (D).

While the level of the backwater and the sea remain the same, I do not see how this stagnant water can be got rid of, except by filling it up with sand or earth, but when the rains of the South-West monsoon come on and the level of the backwater rises, I would suggest that a cutting be made through the bank into the sea.

In the meantime the nuisance arising from the coir-pits and distilleries might be abated, and I would recommend that the villagers be compelled to bury with sand the rotten vegetation lying on the shores.

I would also suggest that the cost of filling up this end of the backwater altogether should be estimated.

The enclosures are herewith returned.

I am, &c.,

R. D. ORMSBY.

No. 5.

The Hon. the COLONIAL SECRETARY to YOWÁNIS and others.

Colonial Secretary's Office,
No 2,764. Colombo, 11th March, 1880.

HIS EXCELLENCY THE GOVERNOR having taken into consideration the petition of Yowánis and certain other inhabitants of Desęstara Kalutara, complaining of the damage done to their property by the change that has taken place in the position of the mouth or outlet into the sea of the Kalu-gaṇga at Kalutara, has directed that the petitioners be informed that it appears on inquiry, that as far as the general interest of the people of the Kalutara District is concerned, the present river outlet is much better than the old one.

J. A. SWETTENHAM,
for Colonial Secretary.

XV.—1885.

FEES FOR SHIPS' BILLS OF HEALTH.

RETURN to an Order of the LEGISLATIVE COUNCIL dated 11th December, 1885

"For a Return of the amounts received during the last Three Years by the Civil Medical Department in payment of Ships' Bills of Health, showing how these sums were brought to account in the Revenue Returns, or how they were disposed of."

(Hon. R. A. Bosanquet.)

Ordered by the Legislative Council to be Printed.

Colombo:

GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1885.

FEES FOR SHIPS' BILLS OF HEALTH.

RETURN OF THE FEES RECEIVED BY THE MEDICAL DEPARTMENT FOR BILLS OF HEALTH DURING THE PAST THREE YEARS.

	1882 Rs.	cts		1883 Rs	cts		1884 Rs	cts
The Principal Civil Medical Officer and Inspector-General of Hospitals ..	3,150	0	...	5,407	50	...	6,016	50
The Colonial Surgeon, Galle ...	4,189	50	...	2,919	0	...	2,709	0
The Assistant Colonial Surgeon, Trincomalee	—		...	63	0	...	—	
Total—Rs	7,339	50		8,389	50		8,725	50

NOTE.—These fees (Rs. 10 50 for each Bill of Health) are retained by the Medical Officers, and are not paid into the Treasury.

XVI.—1885.

SUPPLY BILL, 1886.

REPORT of a SUB-COMMITTEE of the LEGISLATIVE COUNCIL appointed to report upon the Bill intituled "An Ordinance for making provision for the Contingent Services for the year 1886."

Ordered by the Legislative Council to be Printed.

Colombo:
GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1886.

EXTRACT from the Minutes of the Legislative Council dated 18th December, 1885.

Resolved,—That the following gentlemen be appointed a Sub-Committee to report upon the Bill :

"An Ordinance for making provision for the Contingent Services for the year 1886."

The Hon. CECIL C. SMITH, Lieutenant-Governor.
The Hon. W. H. RAVENSCROFT, Auditor-General.
The Hon. G. W. PATERSON, Acting Treasurer.
The Hon. F. R. SAUNDERS, Government Agent, Western Province.
The Hon. J. VAN LANGENBERG,
The Hon. P. RÁMA-NÁTHAN,
The Hon. R. A. BOSANQUET,
The Hon. R. B. DOWNALL,
} Unofficial Members.

SUPPLY BILL, 1886.

REPORT.

THE Sub-Committee appointed to report upon the proposed Ordinance "for making provision for the Contingent Services for the year 1886" have to submit the following :—

No. 1.—ESTABLISHMENTS.

I.—CIVIL.

PROVINCIAL AGENCIES.

CENTRAL PROVINCE.

The reduction of the total under this Agency of Rs. 27,223 is due principally to the separation of the Uva District, which is now to be created a Province.

UVA PROVINCE.

The Committee desire to record their satisfaction at the proposed arrangement for making Uva a separate Province, believing that material benefit will be conferred on a large population, and that considerable improvement in revenue may reasonably be expected. It appears that but a very small increase in the cost of establishment is contemplated, amounting only to Rs. 1,500. The Committee were divided in opinion as to the salary to be allotted to the Government Agent, and, after some discussion, a motion was proposed, with the result recorded in the Minutes. (Appendix A.)

PUBLIC WORKS DEPARTMENT.

Under the item of Director's salary there is a decrease of Rs. 3,000, the Director now drawing Rs. 12,000 instead of Rs. 15,000 as formerly. The proposal to create an appointment of Provincial Engineer, North-Central Province, where so many important public works are being undertaken, meets with the approval of the Committee; also, the addition of Rs. 7,000 in order that the establishment, now much below its strength, may be increased by the appointment of more Superintending Officers, such officers being, in the opinion of the Committee, necessary in view of the long list of works proposed in the Bill now under consideration.

SURVEY DEPARTMENT.

The Committee have not overlooked the item of Rs. 5,475 to provide for the employment of young Surveyors trained by the Survey Department, and consider the proposal as one likely to work advantageously.

POST OFFICE.

Telegraph Branch.

The increase in the total for this establishment is due to the appointment of Telegraph Masters and Signalmen at Talawakelé and Nánu-oya.

The total of Civil Establishments is but very slightly altered from that of the year 1885, being Rs. 2,070,119 against Rs. 2,050,226.

II.—JUDICIAL.

The Committee notice that the Police Court at Balangoda has been closed. They would suggest that, in view of the increasing importance of the district, the Government should be asked to consider the advisability of the Police Magistrate of Haldummulla holding Court at Balangoda as formerly, but without any extra staff, the staff attached to the Court at Haldummulla moving with the Magistrate for the transaction of business at Balangoda. By this means the objections raised to the working of Itinerant Courts by the Minor Courts Commission would be overcome, and convenience would be given to a large number of people. The Committee are further of opinion that holding Court at Balangoda periodically would tend to the repression of crime in that district.

FISCALS' DEPARTMENT.

CENTRAL PROVINCE.

The Committee would suggest that the time has arrived when a considerable saving can be made on the salary of the Fiscal in Kandy, by combining his duties with those of some other office ; and they submit this matter for the consideration of Government.

IV.—PUBLIC INSTRUCTION.

COLOMBO SCHOOL OF AGRICULTURE.

The omission of salary to Supervisor, amounting to Rs. 750, is recommended, as it appears to be already provided for under the heading of Agricultural Instructor, an appointment not yet filled up.

UVA PROVINCE.

Vernacular Schools.

An inquiry should, in the opinion of the Committee, be made into the state of Vernacular schools in this Province, such a sum as Rs. 240 being apparently quite inadequate for the requirements of such a populous and important District.

No. 2.—PENSIONS, RETIRED ALLOWANCES, AND GRATUITIES.

The increase of the total under this heading of Rs. 16,555 is due to the depreciation in the value of silver, the rupee being now calculated at 1*s.* 6*d.* for the purposes of account.

No. 3.—REVENUE SERVICES.

TOLLS.

Agent, Western Province.

It is found necessary to recommend an increase of the sum of Rs. 500 to Rs. 4,900, to enable the Government Agent to collect in aumani certain tolls in the District of Ratnapura.

No. 4.—ADMINISTRATION OF JUSTICE.

Under Administration of Justice (exclusive of Establishments) there appears to be a saving of Rs. 12,395 as compared with 1885.

No. 6.—CHARITABLE ALLOWANCES.

An increase of Rs. 4,000 is noted in the allowance to the Friend-in-Need Society, Colombo, of which the Committee approve.

No. 7.—EDUCATION.

As it appears to the Committee that at the time of the institution of the four English Scholarships it was intended that the sum set apart for this purpose should be £150 sterling for each Scholarship, they recommend that the equivalent of £150 sterling be provided.

No. 8.—HOSPITALS AND SANITATION.

Agent, Northern Province.

Allowance to Friend-in-Need Society Hospital, Jaffna.

The Committee are unable to obtain any information as to the action taken by Government, and which was referred to by the Committee in their report last year. They beg again to draw the attention of Government to the subject.

No. 13.—WORKS AND BUILDINGS.

NEW WORKS AND BUILDINGS.

Uva Province.

Before determining upon the reconstruction of the hospital at Forest Hill or the selection of a site for a new building at Lunugalla, the Committee recommend that the opinion of those interested in the Madulsima and Héwá Eliya Districts be ascertained.

The Committee desire to omit the proposed expenditure of Rs. 6,000 for residence, office, and store for Superintending Officer, Public Works Department, Badulla; also the sums of Rs. 302 for supplying water to the District Judge's house, Ratnapura, and Rs. 1,723 for additions and improvements to the Court-house, Ratnapura, and Rs. 1,490 for erecting a witness-shed for the District Court, Kandy; believing that such works are not of any immediate necessity, and that the money can with advantage be devoted to the execution of more pressing and important works.

Western Province.

In place of the sum Rs. 1,723 for additions and improvements to the Court-house, Ratnapura, the Committee recommend a vote being taken of Rs. 500 for a witness-shed at this court, such being in their opinion necessary.

The Committee regret to find that such a large sum as Rs. 12,500 is required for additional accommodation for prisoners at Welikada Prison.

No. 14.—ROADS, STREETS, BRIDGES, AND CANALS.

In order to keep within the limit to which the votes on roads are restricted, the Committee recommend the adoption of the proposed votes with a few omissions and alterations.

NEW ROADS.

The Committee recommend the following alterations :—

Western Province.

Omit for completing Eratna bridle-path—Rs. 5,000.

For the road between Pánaduré and Kurugammódara—Rs. 20,000 (on account).

For a vote of Rs. 5,000 (Government grant, on account) for the continuation of works on the Ruwanwella and Attanagalla road.

Eastern Province.

The vote of Rs. 10,000 for road to Kandy *viâ* Alutnuwara is not considered necessary at a time when more important works require prior attention.

Uva Province.

Rs. 16,300 is recommended for the Monarágala-Walawé road on account, it being represented to the Committee that, it being necessary to survey the road, more money cannot be expended during the year.

ADDITIONS AND IMPROVEMENTS TO ROADS.

Southern Province.

For improvement of the Udagama road (on account), Rs. 8,000 is recommended.

Northern Province.

The Committee are advised that Rs. 40,000 will suffice for metalling the North road on this year's account.

North-Central Province.

A sum of Rs. 40,000 is included for continuation of the work on Anurádhapura-Trincomalee road, for which a vote was taken last Session.

A vote of Rs. 2,100 is asked for in connection with the Anurádhapura-Puttalam road, a deviation being necessary on account of the reconstruction of the Tissawewa tank.

Central Province.

The small sum of Rs. 260 for a parapet on Maturata road is not considered necessary. In consequence of the increasing traffic at the Hatton railway station, a vote for widening the road from Dikoya Bazaar commends itself to the approval of the Committee.

Uva Province.

The sum of Rs. 1,000 is required for widening the Taldena road, in consequence of the construction of the Taldena-ela.

Eastern Province.

The Committee are pleased to observe that it is now proposed to complete the metalling of the Badulla-Batticaloa road, commenced 18 years ago.

Central Province.

The Committee regret being unable to recommend that a sum of Rs. 5,000 should be spent in the next year for Galawela road.

NEW BRIDGES AND REPAIRS TO BRIDGES.

Western Province.

Acting on representations made, that the bridge over the Sitáwaka at Avisáwélla is of more immediate importance than the one over the Kelani at Karawanella, the Committee recommend a vote being taken of Rs. 28,600 for the completion of the former bridge, and a vote (on account) of Rs. 15,000 for the latter.

North-Western Province.

It is estimated that the repairs to the large bridge over the Kalá-oya, damaged by the recent floods, will cost Rs. 12,000, for which provision is made.

Central Province.

A vote of Rs. 12,500 (Government moiety) for a bridge over the Kehelgama-oya at Norton is recommended for approval.

IRRIGATION.

The Committee are pleased to find that, acting on a motion passed by the Legislative Council last Session, a Board to consider Irrigation works has been appointed, and trust that their careful and scientific deliberations and inquiries may eventually result in the large and costly undertakings now proposed becoming in due time a source of benefit to the people and of increased revenue to the Colony.

The Committee not unreasonably expect, however, that when large votes on account of Irrigation Works are proposed, reports and estimates of the contemplated works should be laid before them. This has only been partially done this year.

DEPARTMENTAL CHARGES.

North-Western Province.

The Committee are glad to notice that the Government propose to take up a survey for a railway along the Northern coast, and approves of the expenditure necessary to make the survey to Negombo, to which place a railway is urgently needed.

No. 15.—MISCELLANEOUS SERVICES.

In recommending the vote for Rs. 3,000 for archæological purposes the Committee trust that at no distant date the result of the expenditure for 1885 (Rs. 2,000), as well as what is proposed to be done with the money now voted, will come under public notice.

Appendix B., shows the details of alterations recommended to be made in the Estimates;

and in Appendix C. is given the detail of unexpended balances, amounting to Rs. 236,847·91, to be brought forward for expenditure in 1886.

The total of the Bill as now reported is Rs. 8,931,170·02.

CECIL C. SMITH.
W. H. RAVENSCROFT.
G. W. PATERSON.
F. R. SAUNDERS.
JAMES VAN LANGENBERG.
P. RAMA-NATHAN.
R. A. BOSANQUET.
R. B. DOWNALL.

Legislative Council Chamber,
21st December, 1885.

APPENDIX.

A.

UVA PROVINCE.

On the motion, that the salary of the Government Agent appointed to this newly-created Province be raised to the sum of Rs. 10,800, the same as the North-Central Province, the Committee divided with the following result:—

Ayes.	*Noes.*
The Hon. R. B. Downall.	The Hon. R. A. Bosanquet.
The Government Agent, Western Province.	The Hon. P. Ráma-Náthan.
The Treasurer.	The Hon. J. Van Langenberg
	The Auditor-General.
	The Lieutenant-Governor.

ADDITIONAL ITEMS to be inserted, increased, reduced, or omitted from the Supply Bill, 1886.

	To be inserted.	To be increased by	To be reduced by	To be omitted.
No. 1.—ESTABLISHMENTS.				
I.—CIVIL.				
SECRETARIAT.	Rs. cts	Rs. cts	Rs. cts.	Rs. cts.
Printing Branch.				
Salaries	—	—	2,890 0	—
Contingencies	—	13,360 0	—	—
PROVINCIAL AGENCIES.				
Agent, Western Province.				
Contingencies	—	—	300 0	—
Agent, North-Western Province.				
Extra Clerk, Puttalam	300 0	—	—	—
POST OFFICE.				
Postmaster-General				
Salaries	—	—	384 0	—
Telegraph Branch.				
Telegraph Masters	—	2,160 0	—	—
III.—ECCLESIASTICAL				
Chaplain, All Saints' Church	—	—	2,000 0	—
Do. St. Paul's	—	—	1,500 0	—
Allowances	—	—	120 0	—
IV.—PUBLIC INSTRUCTION.				
Supervisor, School of Agriculture	—	—	—	750 0
No. 3.—REVENUE SERVICES.				
Tolls	—	4,400 0	—	—
No 6.—CHARITABLE ALLOWANCES.				
Agent, North-Central Province	—	96 0	—	—
No. 7.—EDUCATION.				
English Scholarships	—	2,000 0	—	—
No. 11.—TRANSPORT	—	750 0	—	—

B.—*continued.*

	To be inserted.	To be increased by	To be reduced by	To be omitted.
	Rs. cts.	Rs. cts.	Rs. cts.	Rs. cts.
No. 12.—CONVEYANCE OF MAILS.				
Mankulam and Mullaittivu	840 0	—	—	—
Nawalapitiya and Ginigathena	—	—	—	180 0
Rent of Buildings, &c.	—	840 0	—	—
Allowances	—	600 0	—	—
No. 13.—WORKS AND BUILDINGS.				
Residence for Superintending Officer, Badulla ...	—	—	—	6,000 0
Water supply to District Judge's House, Ratnapura	—	—	—	302 0
Alteration to Court-house, Ratnapura ..	—	—	—	1,723 0
Witness shed, Court-house, Ratnapura .	500 0	—	—	—
Witness shed, District Court, Kandy ...	—	—	—	1,490 0
Additions to Tangalla Hospital	439 0	—	—	—
No. 14.—ROADS, STREETS, BRIDGES, &c.				
Eratna Bridle Path	—	—	—	5,000 0
Road, Ruwanwella to Attanagalla	5,000 0	—	—	—
Road, Kurugammodara to Panadure ...	—	—	10,000 0	—
Road, Kandy *viâ* Alutnuwara	—	—	—	10,000 0
Galawela road	—	—	—	5,000 0
Improvement, Udagama road ...	—	—	2,000 0	—
Metalling North road	—	—	10,000 0	—
Anuradhapura-Trincomalee road	—	—	10,000 0	—
For parapet wall at the dangerous turn at Karandagolla	—	—	—	260 0
Maintenance of road, Trincomalee-Anuradhapura ...	—	1,125 0	—	—
Lake and Moon Plains road	1,312 50	—	—	—
Naula to Gurukandura	—	—	20,478 0	—
Kala-oya to Galgodahena	—	3,212 0	—	—
Toll grants on Minor Roads, Western Province ...	—	—	9,423 2	—
Resthouses, Central Province	—	—	7,920 0	—
Do. Uva Province	7,920 0	—	—	—
Bridge over Kelani at Karawanella ...	—	—	23,190 0	—
Do. Sitawaka at Avisawella ...	—	10,000 0	—	—
Repair of Pattalagedara bridge	1,320 0	—	—	—
Repair of Kala-oya bridge	—	2,000 0	—	—
No. 15.—MISCELLANEOUS SERVICES				
Western Province.				
Clearing Crown Reservations within Municipal Limits	200 0	—	—	—

C.

LIST of UNEXPENDED BALANCES to be brought forward for expenditure in 1886.

SUPPLY BILL, 1884.

No. of Estimate.	Date of Sanction.	Service.	Amount. Rs. cts.	Total. Rs. cts.
	1885.			
658 ...	April 18 ...	For constructing a Kachcheri at Puttalam ...	18,500 0	
	1884.			
213 ...	February 5 ...	For repairs to Peradeniya bridge ...	625 0	
				19,125 0

SUPPLY BILL, 1885.

No. of Estimate.	Date of Sanction.	Service.	Amount. Rs. cts.	Total. Rs. cts.
	1885.			
1 ...	January 23 ...	For certain works to the New Lunatic Asylum, Colombo	2,000 0	
644 .	May 11 ...	For water-supply, New Lunatic Asylum ...	400 0	
645 ...	April 20 ...	Do. do. ...	1,500 0	
931 ..	November 2 ...	For erecting latrine and cart shed with approach road, New Asylum	700 0	
914 .	October 16	For certain repairs to the Boralesgama tank ...	299 0	
915 ...	Do. 16 ...	For certain repairs to the Kesbewa tank ...	30 0	
514 ...	September 5 ...	For inserting a sluice in the village tank, Walata in Hatalispahe Korale, Wanni Hatpattu ...	545 0	
515 ...	March 30 ...	For inserting a sluice in the village tank, Mudigamagalewewa, Wanni Hatpattu ...	562 0	
516 ...	Do. 30 ..	For inserting a sluice in the village tank, Oli Diulwewa, Wanni Hatpattu ...	546 0	
517 ...	Do. 30 ...	For inserting a sluice in the village tank, Mahameruwewa, Wanni Hatpattu ...	596 0	
521 ...	Do. 30 ..	For inserting a sluice in the village tank, Pahalagamawewa, in Pahalawisideke Korale, Wanni Hatpattu	593 0	
522 ...	Do. 30 ...	For inserting a sluice in the village tank, Kumburupitiyawewa, Otata Korale, Wanni Hatpattu	593 0	
527 ...	Do. 30 ...	For inserting a sluice in the village tank, Hidokadawelawewa, in Gantihe Korale, Wanni Hatpattu	616 0	
		Carried over ...	980 0	19,125 0

No. of Estimate.	Date of Sanction.	Service.	Amount. Rs. cts.	Total. Rs. cts.
	1885.	Brought forward...	8,980 0	19,125 0
710	May 11	For inserting a sluice in the village tank, Kattabuwena, in Pahalawisideke Korale, Wanni Hatpattu	820 0	
708	May 11	For the insertion of a sluice in the village tank, Imbulgodavagama, in Katuwana Korale, Wanni Hatpattu	556 0	
513	March 30	For inserting a sluice in the village tank, Haddewa, Wanni Hatpattu	350 0	
524	Do 30	For inserting a sluice in the village tank, Talakolewa, Wanni Hatpattu	535 0	
525	Do. 30	For inserting a sluice in the village tank, Kattagamawewa, Wanni Hatpattu ...	500 0	
666	May 8	For the preliminary work in clearing the Rambara Wihara irrigation channel, Hambantota District	11,000 0	
667	April 25	For widening the existing channel and adding 20 chains of new channel at Pattara, Matara district	2,000 0	
782	June 26	For providing for labour, &c., in surveying the Kirima river	500 0	
	1884.			
745	September 11	For the restoration of Rotawewa tank, Batticaloa district	9,900 0	
	1885.			
677	April 24	For an anicut and storage channel for the Kadukamunai tank, Eastern Province ...	10,000 0	
16	January 6	For completing the Trincomalee-Anuradhapura road from the 12th mile-post to the boundary	3,500 0	
17	June 9	For increased waterway and improvements to the Mannar Causeway	10,000 0	
18	March 16	For the improvement of the Yakawewa-Pesalai road	6,500 0	
3	September 23	For a Lazaretto at Halmanheil ...	1 500	
15	July 2	For converting the horse bridge over the Kurundu-oya at the end of the Maturata cart road to a cart bridge ...	1,174 33	
880	September 11	For certain most urgent and necessary repairs to the Peradeniya satinwood bridge ...	1,974 83	
289	January 27	For a survey of the Lower Badulla road ...	2,280 0	
697	May 5	For a survey of the site of the old head works and of a part of the Elahera canal ...	515 0	
758	June 6	For a detailed survey of the proposed road from Pundalu-oya to Wattagoda ...	995 0	
10	December 1	For constructing 3 miles of the Wattagoda-Pundalu-oya road	63,858 0	
		Unappropriated balance on vote ...	9,397 0	
		Unappropriated balance on vote for the Lower Badulla road	16,395 0	
990	November 27	For certain additional works to the Barrack Plain dam in Nuwara Eliya ...	1,130 0	
13	September 25	For bridging, general upkeep, and improving the bridle road from Uma-oya to boundary of Galboda Estate, Uda Pussellawa ..	1,500 0	
		Unappropriated balance on the vote ...	1,365 75	
290	January 22	For surveying the Embulpitiya tank ...	162 0	
824	August 7	For distributing sluices to the Elatota-ela ...	300 0	
825	Do. 7	For fixing a 12-in sluice and pipe to the Hingirigamuwawewa	300 0	
965	November 21	For surveying the Mana irrigation head work and channel	150 0	
966	Do. 21	For surveying the Kanda irrigation head work and channel	50 0	
967	Do. 21	For surveying the Hangeli-ela head work and channel	50 0	
979	November 17	For rebuilding the Small-pox Hospital at Ratnapura	200 0	
829	August 7	For the improvement of Diyagama Talawewewa	500 0	
830	Do. 7	For the restoration of the Hambiliyagasdowa tank	500 0	
932	November 4	For the upkeep of village tank sluices in the Northern Division of the North-Central Province	450 0	
961	Do. 11	For increasing the storage capacity and strengthening the bund of the Vavuniya-Vilankulam tank	18,105 0	
	1884.			
823	January 24	For the restoration of the remaining 41 miles of the Yodi-ela	14,200 0	
	1885.			
936	November 2	For repairing the Dachchidamana sluice, Kadawat Korale	280 0	
937	Do. 2	Do. Kanadara Diulwewa do. ...	12 0	
939	Do. 2	Do. Kirigolawa sluice do. ...	400 0	
940	Do. 2	Do. Nawakulama sluice do. ...	269 0	
941	Do. 2	Do. Marikalhammillewa do. ...	269 0	
942	Do. 2	Do. Tamanawa sluice do. ...	269 0	
		Carried over ...	203,691 91	19,125 0

No. of Estimate.		Date of Sanction.			Service.		Amount. Rs.	cts.	Total. Rs.	cts.
		1885.			Brought forward ...		203,691	0	19,125	0
943	...	November	2	...	For repairing the Nellogalakada sluice, Kadawat Korale	...	269	0		
944	.	Do.	2	...	Do.	Lolugas-wewa sluice do. ...	100	0		
945	...	Do.	2	...	Do.	Etaweragolawa sluice do. ...	100	0		
947	...	Do.	2		Do.	Mahakumbukgolawa do. ...	100	0		
948	...	Do.	2	...	Do.	Waterakwewa sluice do. ...	100	0		
949	..	Do.	2	...	Do.	Kudahamillawa sluice do. .	100	0		
950	...	Do.	2	...	Do.	Lindawewa sluice do. ...	100	0		
951	...	Do.	2	...	Do.	Karanbakulam sluice do. .	100	0		
952	...	Do.	2	...	Do.	Relapanawa sluice do. ...	100	0		
953	...	Do.	2		Do.	Muragoda sluice do. ...	100	0		
954	...	Do.	2	...	Do.	Heralagamawewa sluice do. ..	100	0		
955	...	Do.	2	...	Do.	Etakada sluice do ...	100	0		
									205,060	91
					SUPPLEMENTARY SUPPLY BILL, 1885.					
600	..	March	31	...	For building a set of Police lines, Jaffna . .		2,000	0		
606	..	June	17	...	For restoring the Karaiur reclamation wall damaged by cyclone		10,000	0		
607	...	March	31	.	For the pay of convict guards, &c., employed on public works in the Northern Province .		662	0		
									12,662	0
							Total—Rs		236,847	91

XVII.—1885.

BILL RELATING TO CEYLON RAILWAYS.

REPORT of a SUB-COMMITTEE of the LEGISLATIVE COUNCIL appointed to report upon Schedule B of the Bill intituled "An Ordinance relating to the Ceylon Railways."

Ordered by the Legislative Council to be Printed.

Colombo:
GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1886.

EXTRACT from the Minutes of the Legislative Council dated 18th November, 1885.

Resolved,—That the following gentlemen be appointed a Sub-Committee to report upon Schedule B of the Bill intituled :

"An Ordinance relating to the Ceylon Railways."

The Hon. CECIL C. SMITH, Colonial Secretary.
The Hon. S. GRENIER, Acting Attorney-General.
The Hon. W. H. RAVENSCROFT, Auditor-General.
The Hon. G. W. PATERSON, Acting Treasurer.
The Hon. P. RÁMA-NÁTHAN,
The Hon. F. M. MACKWOOD,
The Hon. R. A. BOSANQUET,
The Hon. R. B. DOWNALL.
} Unofficial Members.

BILL RELATING TO THE CEYLON RAILWAYS.

REPORT.

THE Sub-Committee of the Legislative Council appointed to consider and report upon the Schedule B annexed to the Bill relating to the Ceylon Railways beg to report that, having carefully considered the evidence placed before them, they do not consider it desirable to fix a minimum rate for any class of goods or passengers, except in regard to "pioneers or coolies in gangs." As it is an indisputable fact that a very large proportion of both the Up and Down Traffic is at present successfully competed for by carts, it has been the desire of the Sub-Committee to meet the requirements of the public by offering sufficient inducement to them to travel, and to send their goods by the railway, and thus to aim at a satisfactory working profit on the whole railway system.

2. With these objects in view, the Committee recommend that the rates under Schedule B should be adjusted on the principle of an increase of 2 per cent. on the Main and Branch Lines existing rates, and a reduction of 38 per cent. on the Nánu-oya Extension rates.

3. From evidence placed before them they are of opinion that the increase of 2 per cent. would not divert any traffic from the Main and Branch Lines, whilst the very material reduction of 38 per cent. on the Nánu-oya Extension would secure an addition of at least 50 per cent., and probably more, of both the Up and Down Traffic.

4. To illustrate the proposed change, the Committee may mention that, if their scale of rates be accepted by Council, the *reduction* on first-class goods to and from Nánu-oya would be Rs. 7·35 per ton; on second-class goods, rice, and tea, Rs. 5·94 per ton; on cinchona, Rs. 5·88 per ton; on coffee, Rs. 3·65 per ton; and on third-class goods, Rs. 3·75 per ton. The *increase* on the Main Line would be, on first-class goods, 44 cents per ton; second-class goods, rice, and tea, 29 cents per ton; cinchona, 35 cents per ton; coffee, 24 cents per ton; and third-class goods, 15 cents per ton.

5. The attention of the Committee having been drawn to the traffic in cocoanut produce, little of which now finds its way by the Main Line trains to Colombo or up-country, they have inquired into the subject, but are unable to make any definite proposition by which they could suggest rates which would successfully compete with the cart transport from the estates. They commend, however, the matter to the consideration of Government, as it may be possible to run special trains at specified periods for this description of produce at such rates as would meet the requirements of the trade, such a trade being of an important and extensive character.

6. With regard to the "definition of classes," the Committee are prepared to recommend that *plants* and *seed* be for the future conveyed at the same rate as *vegetables*, at owner's risk. On the representation that large numbers of cattle, estimated at 1,000 head, travel monthly by road from Mátalé, they advise that the charge be made, on every truck, of 25 cents per mile.

7. The matter of return third-class tickets for a period extending beyond a day was, with the assistance of the General Manager's evidence, very fully inquired into and considered by the Committee, and they beg to record their unanimous opinion that it is not desirable to grant an extension of time for third-class return tickets, but by reducing the third-class fare to 2⅜ cents per mile, they consider that every reasonable facility will be given, and that such a reduction over the line from Colombo to Mátalé and Nánu-oya should result in securing a large addition to the third-class passenger traffic. They recommend no alteration in the fares on the Sea-side Line.*

The Committee advise that the ten-days first and second-class return tickets be made available for any distance over thirty miles.

8. They would also recommend that "the minimum fare of pioneers and coolies gangs shall be" 25 cents instead of 37 cents each, and that coolies, in gangs, no matter of what nationality, be included under this rate. They also recommend that, as regards "goods rates" (second and third paragraphs of the draft Schedule), instead of "no package less than 56 lb. in weight be charged as goods," "single and separate parcels under 56 lb. in weight to be charged parcels rate," there be substituted, "Any package less than half a cwt. to be charged as half a cwt." These alterations would be beneficial to the public, without much affecting the Railway Revenue.

9. Should these suggestions and alterations in the scale of rates be accepted by the Council, the Committee desire to express their strong opinion that full publicity should be given *in detail* of the rates for all merchandise and passengers at every Railway Station, and that tables of such rates be published in English, Sinhalese, and Tamil, and placed in conspicuous places. This being strictly attended to, and every facility given for obtaining correct and detailed information, the Committee trust that the very important alterations they have suggested will meet the requirements of the public generally, and materially improve the Railway Revenue.

CECIL C. SMITH.
S. GRENIER.
W. H. RAVENSCROFT.
G. W. PATERSON.
P. RAMA-NATHAN.
F. M. MACKWOOD.
R. A. BOSANQUET.
R. B. DOWNALL.

Legislative Council Chamber,
21st December, 1885.

* The actual reduction is between Náwalapitiya and Nánu-oya.

XVIII.—1885.

BILL RELATING TO YOUTHFUL OFFENDERS.

REPORT of a SUB-COMMITTEE of the LEGISLATIVE COUNCIL appointed to report upon the Bill intituled "An Ordinance relating to Youthful Offenders."

Ordered by the Legislative Council to be Printed.

Colombo:

GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1886.

EXTRACT from the Minutes of the Legislative Council dated 9th December, 1885.

Resolved,—That the following gentlemen be appointed a Sub-Committee to report upon the Bill intituled

"An Ordinance relating to Youthful Offenders."

The Hon. S. GRENIER, Acting Attorney-General.
The Hon. G. W. PATERSON, Treasurer.
The Hon. F. R. SAUNDERS, Government Agent, Western Province.
The Hon. J. VAN LANGENBERG, } Unofficial Members
The Hon. P. RÁMA-NÁTHAN, } Unofficial Members
The Hon. R. A. BOSANQUET, } Unofficial Members

BILL RELATING TO YOUTHFUL OFFENDERS.

REPORT.

THE Sub-Committee appointed by the Legislative Council to consider and report upon an Ordinance intituled "An Ordinance relating to Youthful Offenders," have the honour to report as follows:—

Clauses 4 and 30 will enable the Governor to grant certificates to Industrial Schools, should any of the Religious Bodies or Societies in the Island desire to establish such schools for the separate and exclusive use of children convicted under this Ordinance.

Clause 17 has been fully considered and so amended as to include among Visitors, Judges of the Supreme Court, Members of the Legislative Council, and Unofficial Police Magistrates.

Clause 19 has been amended so as to include offenders punishable by fine as well as by imprisonment.

The Committee are of opinion that it is not expedient to determine by whose hand a whipping should be inflicted, but would leave it to the discretion of the Magistrate before whom the case is tried. It is also recognized that all parents and guardians should have an opportunity of being heard in defence before they are subjected to a penalty for neglecting to take proper care of their children. The Committee have therefore substituted for the Proviso in this Clause the following Section:—

"The Court before which a youthful offender is convicted may, in addition to or instead of punishing such offender in manner provided in this Section, inflict on the parent or guardian of such offender a fine not exceeding twenty rupees in any case in which such Court, after summary inquiry, is satisfied that such parent or guardian has, by neglecting to take proper care, or otherwise, conduced to the misconduct of such offender.

"Provided that no parent or guardian shall be fined without having had an opportunity of being heard, and (if he desires it) of adducing evidence in his defence."

In Clause 35 the Committee recommend that the Magistrate before whom proceedings to enforce maintenance may be taken, shall, in making his final order adjudging payment, be empowered to deal summarily with the case.

Clause 37 is considered unnecessary.

The Committee consider it desirable that all mere breaches of rules and of school discipline should be exclusively dealt with by Managers and Visitors; and in this view they recommend that the word "first" before "offence," in line 5 of Clause 39 be deleted, and that the concluding paragraph of that Clause, which provides for prosecutions before Police Courts, be altogether omitted.

In Clause 47 the Committee deem it important that the words "*primâ facie*" be substituted for "sufficient," in line 8.

The Sub-Committee report the Bill with other minor amendments as indicated in the Revised Draft herewith.

S. GRENIER.
G. W. PATERSON.
F. R. SAUNDERS.
JAMES VAN LANGENBERG.
P. RAMA-NATHAN.
R. A. BOSANQUET.

Legislative Council Chamber,
21st December, 1885.

XIX.—1885.

COLOMBO WATER SUPPLY BILL.

REPORT of a SUB-COMMITTEE of the LEGISLATIVE COUNCIL appointed to report upon the Bill intituled "An Ordinance relating to the Supply of Water to the Colombo Municipality."

Ordered by the Legislative Council to be Printed.

Colombo:
GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.
1886.

EXTRACT from the Minutes of the Legislative Council dated 13th January, 1886.

Resolved,—That the following gentlemen be appointed a Sub-Committee to report upon the Bill intituled :

"An Ordinance relating to the Supply of Water to the Colombo Municipality."

The Hon. CECIL C. SMITH, Lieutenant-Governor.
The Hon. S. GRENIER, Acting Attorney-General.
The Hon. W. H. RAVENSCROFT, Auditor-General.
The Hon. F. R. SAUNDERS, Government Agent, Western Province.
The Hon. J. VAN LANGENBERG,
The Hon. P. RÁMA-NÁTHAN,
The Hon. A. L. DE ALWIS,
The Hon. G. W. LEECHMAN,
} Unofficial Members.

COLOMBO WATER SUPPLY BILL.

REPORT.

THE Sub-Committee of the Legislative Council appointed to consider the draft of "An Ordinance relating to the Supply of Water to the Colombo Municipality" have the honour to report as follows :—

With reference to clause 10 of the Ordinance, the Lieutenant-Governor moved "That the "Ordinance should provide for enabling the Government to require the Municipality to contribute "Rs. 110,000 towards the cost of the construction and maintenance of the Colombo Waterworks, "for 1886, 1887, and 1888."

The Hon. G. B. Leechman proposed that the motion be amended by the addition of the following words :—"Subject to the payments by Government to the Municipality, to which the "Government is pledged by its letter No. 9 of 31st January, 1880."

It will be seen from the appendix to this report that the amendment was lost on a division, and that the original motion was carried.

The above motion having been carried, the Lieutenant-Governor proposed that three new clauses, to be numbered 10, 11, and 12, should be substituted for the original clause 10, and this was agreed to by the Sub-Committee.

These new clauses, and several other minor or purely verbal alterations, which the Sub-Committee recommend, will be found in the accompanying amended copy of the Ordinance.

The Hon. the Government Agent, Western Province, and the Hon. G. B. Leechman desire to annex hereto a Memorandum of their reasons for dissenting from the motion referred to in the earlier part of this report.

CECIL C. SMITH.
S. GRENIER.
W. H. RAVENSCROFT.
F. R. SAUNDERS.
JAMES VAN LANGENBERG.
P. RAMA-NATHAN.
A. L. DE ALWIS.
G. B. LEECHMAN.

Legislative Council Chamber,
Colombo, 16th January, 1886.

MEMORANDUM.

WE dissent from the motion of the Hon. the Lieutenant-Governor for the following reasons :—

Before the construction of the Waterworks was commenced, an agreement was entered into between the Government and the Municipality of Colombo to the following effect :—

(1) That the Government should borrow the necessary funds on its own credit, undertake itself the construction of the works decided on, and then hand them over to the Municipality.

(2) That on the works being handed over to the Municipality, the Government should contribute annually, towards the payment of interest and a cumulative sinking fund, the sum of Rs. 95,000, Rs. 45,000 of which was to be raised by an increase of the duty on imported spirits—(this extra duty has been levied) ; and that the Municipality should pay towards the same fund (*a*) Rs. 50,000 by direct taxation, making the assessment tax on property 10 per cent. on annual rental value ; (*b*) Rs. 10,000 by a license tax on arrack taverns, which the Government promised to authorise the Council to levy ; and (*c*) Rs. 50,000 by the sale of water, making in all Rs. 110,000.

The Municipality pointed out that, in its opinion, the sale of water would only realise Rs. 30,000, and requested Government to pledge itself to meet any deficiency ; but the Government replied that "if a deficiency arises it must be the subject of inquiry, and it must be ascertained that there is no other way of meeting the deficiency before the general public can be called upon to pay." It was on this agreement that the Municipality consented to the construction of the Waterworks.

The Bill now before the Council proposes to make the Government, and not the Municipality, the proprietor of the Waterworks, and yet to require the Municipality to contribute annually Rs. 110,000, which sum, under the original agreement, included Rs. 50,000 to be raised by the sale of water (which would now accrue to Government as proprietor), and Rs. 10,000 which the Municipality was to be authorised to raise under powers which the Government has not given, and now hesitates to give.

To these proposals we are unable to assent. We consider that the Government is bound to adhere to the agreement under which the Municipality, on behalf of the Colombo taxpayers, consented to have the Waterworks constructed for them. If the Government desires to become the proprietor of the Waterworks, it must accept the responsibility of selling the water and of raising the sum of Rs. 50,000, which it always declared was a safe estimate of income for the Municipality to reckon on. The liability of the Municipality would then be Rs. 60,000 a year, or Rs. 70,000 if the necessary powers to raise Rs. 10,000 a year by a license tax on arrack taverns were given to it.

F. R. SAUNDERS.
G. B. LEECHMAN.

APPENDIX.

Division on the amendment mentioned in clause 2 of this report :—

For the Amendment.	*Against.*
The Hon. G. B. Leechman.	The Hon. A. L. De Alwis.
The Government Agent, Western Province.	The Hon. P. Ráma-Náthan.
	The Hon. J. Van Langenberg.
	The Hon. the Auditor-General.
	The Hon. the Attorney-General.
	The Hon. the Lieutenant-Governor.

Amendment lost.

Division on the original motion, which was then put :—

For the Motion.	*Against.*
The Hon. A. L. De Alwis.	The Government Agent, Western Province.
The Hon. P. Ráma-Náthan.	The Hon. G. B. Leechman.
The Hon. J. Van Langenberg.	
The Auditor-General.	
The Attorney-General.	
The Lieutenant-Governor.	

Motion carried.

XX.—1885.

BILL TO AMEND THE CODE OF MOHAMMEDAN LAWS.

REPORT of a SUB-COMMITTEE of the LEGISLATIVE COUNCIL appointed to consider and report upon the Bill intituled "An Ordinance to amend the Code of Mohammedan Laws, intituled 'Special Laws concerning Moors or Mohammedans,' and to provide for the registration of Mohammedan Marriages contracted in this Colony."

Ordered by the Legislative Council to be Printed.

Colombo:

GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1886.

EXTRACT from the Minutes of the Legislative Council dated 2nd December, 1885.

Resolved,—That the following gentlemen be appointed a Sub-Committee to report upon the Bill intituled :

'An Ordinance to amend the Code of Mohammedan Laws, intituled 'Special Laws concerning Moors or Mohammedans,' and to provide for the registration of Mohammedan Marriages contracted in this Colony."

The Hon. CECIL C. SMITH, Lieutenant-Governor.
The Hon. S. GRENIER, Acting Attorney-General.
The Hon. G. W. PATERSON, Acting Treasurer.
The Hon. F. R. SAUNDERS, Government Agent, Western Province.
The Hon. J. VAN LANGENBERG,
The Hon. P. RÁMA-NÁTHAN,
The Hon. A. L. DE ALWIS,
The Hon. R. A. BOSANQUET,
} Unofficial Members.

BILL TO AMEND THE CODE OF MOHAMMEDAN LAWS.

REPORT.

THE Sub-Committee of the Legislative Council appointed to consider and report upon "An Ordinance to amend the Code of Mohammedan Laws, intituled 'Special Laws concerning Moors or Mohammedans,' and to provide for the registration of Mohammedan Marriages contracted in this Colony," have the honour to report as follows:—

The Committee deemed it necessary to examine some of the leading members of the Mohammedan community upon their customs in regard to marriages, and have duly considered the evidence given by them, and the memorials which were laid before them, giving expressions to conflicting views upon the provisions of the Bill. They have also considered the reports of the several Government Agents, which were called for at the instance of the Council, on the desirability of the Bill.

They report the Bill with the amendments as shown in the accompanying Draft.

On clause 20 the Committee divided upon the following motion:—

> "That clause 20 be so amended that the marriages under this Ordinance be registered, and that registration be the best proof, but not the only proof, of the marriage."

The motion was rejected by a majority of five, as will appear from the appendix hereto.

CECIL C. SMITH.
S. GRENIER.
G. W. PATERSON.
F. R. SAUNDERS.
JAMES VAN LANGENBERG.
P. RAMA-NATHAN.
A. L. DE ALWIS.
R. A. BOSANQUET.

Legislative Council Chamber,
Colombo, 19th January, 1886.

APPENDIX.

RESULT OF DIVISION.

For the Motion.	*Against the Motion.*
The Hon. P. Ráma-Náthan.	The Hon. R. A. Bosanquet.
	The Hon. A. L. De Alwis.
	The Hon. J. Van Langenberg.
	The Treasurer.
	The Attorney-General.
	The Lieutenant-Governor.

XXI.—1885.

DESPATCH

FROM

THE RIGHT HON. THE SECRETARY OF STATE

REGARDING THE

PAYMENT OF THE COST OF THE COLOMBO WATERWORKS.

Ordered by His Excellency the Governor to be Printed.

Colombo:
GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1886.

COLOMBO WATERWORKS.

The Right Hon. the EARL OF DERBY to Governor the Hon. A. H. GORDON, G.C.M.G.

Ceylon.—No. 73. Downing-street, 6th March, 1885.

SIR,—I HAVE the honour to acknowledge the receipt of your despatch No. 19 of the 17th of January, dealing with the arrangements to be made for the payment of the cost of the Colombo Waterworks, and the respective liability of the Government and the Municipality.

2. I concur generally in the views expressed in your despatch and in Mr. Dickson's able memorandum, but would suggest that the course proposed as to payment be modified in the following manner.

3. The probable charges are:—(1) In 1886, 1887, and 1888, Rs. 190,000 per annum; (2) in 1889 and subsequent years, Rs. 230,000 per annum. To meet them you propose that (1) in 1886–88 the Municipality shall pay Rs. 110,000 per annum; the Government, Rs. 80,000 per annum gross, or Rs. 75,000 nett; (2) in 1889 and subsequent years the Municipality shall pay Rs. 150,000 per annum, the Government Rs. 80,000 gross, or Rs. 75,000 nett.

4. On consideration of the previous correspondence, I entirely agree with you in thinking that the Municipality must be held strictly liable for the annual sum of Rs. 110,000; and, consequently, for the years 1886–88 the figures will stand as given above.

As regards subsequent years, however, it appears to me that from the correspondence which has passed it may fairly be argued that unless their resources have been much underestimated, the Municipality can claim not to be held liable for a larger sum than Rs. 110,000 until the Government contribution has reached the sum specified as the amount up to which it might be raised, viz., Rs. 95,000.

Unless, then, the financial prospects of the Municipality are found before the end of 1888 to be very much brighter than they were in 1878 and 1879, when this question was carefully considered, the respective amounts to be paid in 1889 and succeeding years should be, by the Municipality, Rs. 130,000; by the Government, Rs. 100,000 gross, Rs. 95,000 nett.

5. I take this view because the Government appears to me pledged to a certain extent by past correspondence, but I fully share your reluctance to relieving the ratepayers of Colombo at the expense of the Colony generally.

I have, &c.,

DERBY.

XXII.—1885.

REGISTRATION OF MOHAMMEDAN MARRIAGES.

RETURN to an Order of the LEGISLATIVE COUNCIL dated 16th December, 1885.

"That the Opinions of the several Provincial Government Agents be obtained on the Bill intituled 'An Ordinance to amend the Code of Mohammedan Laws intituled Special Laws concerning Moors or Mohammedans, and to provide for the Registration of Mohammedan Marriages contracted in this Colony.'"

(Hon. F. M. Mackwood.)

Ordered by the Legislative Council to be Printed.

Colombo:
GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1886.

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REPORTS

ON THE

MOHAMMEDAN MARRIAGE BILL.

No. 1.

The Hon. the GOVERNMENT AGENT, Colombo, to the Hon. the COLONIAL SECRETARY.

Government Agent's Office,
No. 1,735. Colombo, 16th December, 1885.

SIR,—I HAVE the honour to acknowledge receipt of your letter No. 1,675 of the 14th instant, and to state that my opinion of the Ordinance was fully stated by me in the Legislative Council on the 2nd December.

1. There can, I think, be no doubt that valid Mohammedan marriages should be registered just as much as Christian, Hindu, Kandyan, or other marriages.

2. Such being the case, it follows that as the law now recognises (in certain cases) polygamous marriages amongst the Mohammedans, that a second marriage, if legal, should be registered as much as a first marriage.

3. The question whether the Mohammedan Law on the subject of polygamy should be altered or not is an entirely different matter, which must be argued on totally different grounds to that of the question of registration. Registration does not affect the question in the least, and if the law recognising polygamy were altered to-morrow, not a single letter of the present Registration Ordinance would require to be altered.

4. I question, however, the policy of making the registration of Mohammedan marriages more stringent than the registration of Christian and Hindu marriages. But I see no objection to compulsory registration in all cases.

5. I think, however, that clauses 14 and 20 are inconsistent with each other. Clause 20 makes registration absolutely essential to constitute marriage, and clause 14 allows any omission to register to be rectified after the death of one of the parties; that is to say, it permits a man who dies unmarried (legally) to be married after his death.

6. I also think that an Ordinance which provides for the registration of marriage contracts should provide for the registration of the dissolution of such contract. No person of any other religion—not even a Kandyan—can dissolve a registered marriage contract without a decree of a Court, or the registration of the fact that a valid dissolution of the contract has taken place; and it seems to me absolutely useless to require registration as the sole proof of a contract, and to allow the contract to be annulled without any registration or other proof of the contract having been determined.

7. There are a few minor amendments of the Ordinance, including the omission of the 7th clause, which I think advisable, and which will no doubt be hereafter dealt with in Committee of the Legislative Council.

8. I annex reports by three of the Assistant Agents, to whom, as Assistant Provincial Registrars, I referred the Bill for opinion.*

9. For a previous expression of my opinion I would refer you to my reply dated 5th November, 1884, to your circular letter dated 9th September, 1884, in which I quoted Sir Charles Layard's opinion on a very similar Ordinance to this, and which was as follows :—"In compliance "with your letter of the 16th ultimo, I have the honour to report that, having taken the sense "of the chief Mohammedans of Colombo, I find the feeling in favour of an Ordinance for the "due registration of marriages and divorces among them to be unanimous."

I have, &c.,

F. R. SAUNDERS,
Government Agent.

No. 2.

The GOVERNMENT AGENT, Galle, to the Hon. the COLONIAL SECRETARY.

Government Agent's Office,
No. 866/696. Galle, 16th December, 1885.

SIR,—I HAVE the honour to return the draft of the Bill now before the Legislature for registration of Mohammedan marriages, which I generally approve.

I understand it to be intended to deal only with the registration (which it makes essential) of a marriage already solemnized, leaving it open to any party to impeach the marriage itself on legal grounds at any time; and I so read the 20th section.

The word "priest" is unsuitable in the Ordinance, as I am informed that Mohammedans have no priest or form of ordination, but each congregation selects a preacher or minister competent to teach the Koran. "Officiating *minister*" would be the proper expression.

* Annexures not printed.

The Minute Book to be kept under the 7th section should be issued duly paged, and stamped on each page at the Kachchéri.

The wife never signs the marriage register; she should be allowed to sign by her nearest male relative or friend.

The dower ought not to be fixed, as in Schedule A, clause 4, at not less than 19½ kalengis, but be left to the agreement of the parties on the occasion.

I am, &c.,
W. E. T. SHARPE,
Government Agent.

No. 3.

The GOVERNMENT AGENT, Kurunégala, to the Hon. the COLONIAL SECRETARY.

Government Agent's Office,
Kurunégala, 19th December, 1885.

SIR,—IN reply to your letter No. 626 of the 14th instant, I have the honour to state that I have carefully considered the Ordinance, and have made such inquiries as to the state of feeling among the Mohammedan community at this station as I have found possible.

2. At Kurunégala that community is very limited, and it is perfectly clear that they know nothing of the proposed Ordinance or of its objects, and take very little interest in the matter. One fact I did gather, from perhaps the best educated person among them,—a clerk of this Kachchéri,—viz., that divorces are not granted merely to gratify the caprice of a husband, but that good cause must be known to exist. It also seems that no Mohammedan in this district has more than one wife.

3. So long as the present state of things continues, cases such as the one alluded to by Mr. Vigors at Kalpitiya, where two men claimed each of them the same woman as his wife (see Mr. Vigors' letter of the 24th December, 1883, forwarded with mine to your address, No. $\frac{585}{94}$ of 25th November, 1884), are likely to occur, as also cases of women being inveigled into living with men under the impression that they were legally married. In the interest of the women I think it better that the Ordinance should be introduced, than that they should be exposed to the dangers of the present system, which has no doubt been productive of suffering to some of them and their children.

4. The passing of the proposed Ordinance seems to me to be far more likely to result in the extinction of polygamy than the absolute non-interference with Mohammedan marriages which has hitherto prevailed. It is probably better to legalize a few polygamous marriages than to leave affairs, as at present they are, entirely in the hands of priests, some of whom are of a very inferior class, liable to be bribed by unscrupulous men—a course which has probably resulted in unmerited hardships, misery, and shame to many poor innocent women. It cannot but be advisable to let daylight in this dark corner of our social edifice.

5. The Ordinance can scarcely harm the rest of the community, and I believe it eminently calculated to promote the good of the greatest number among that section to which it applies. I believe it to be a step in the right direction, and an earnest of better things.

6. The stamps on the license of the officiating priest and certificate are reasonable, and the Ordinance generally seems to provide the necessary machinery for carrying its provisions into effect.

7. Those provisions might, however, with advantage be enlarged by extending them to the regulation of divorces as well as of marriages. Without this extension, I am afraid the benefits will not be so great as it certainly ought to be if this defect were removed.

I am, &c.,
G. S. WILLIAMS,
Acting Government Agent.

No. 4.

The GOVERNMENT AGENT, Batticaloa, to the Hon. the COLONIAL SECRETARY.

Batticaloa, 14th December, 1885.

SIR,—IN reply to your telegram dated the 10th instant, I have the honour to state that I learn on inquiry that great irregularities exist at present in respect of the writing of kaduttams. So long as the Registration Law applied to the Mohammedans and there were recognised registrars, kaduttams were regularly written, and copies furnished to the Kachchéri. But since Mohammedans have been exempted from the operation of the Marriage Registration Law, although the same ceremonies are observed on marriage, kaduttams are not always written, and, if written, are not always carefully preserved; they are sometimes written days after the "kawin" has been pronounced, and are not properly signed. Well-to-do people protect the interests of their female relatives by having dowry deeds written, but the poorer women often lose their rights through the omission, wilful or accidental, of the priest to write the kaduttam, or in some cases through his tampering with or destroying it. The Ordinance now under the consideration of the Legislative Council will remedy these evils, and is, I believe, approved by the Mohammedans of this Province.

I am, &c.,
ALLANSON BAILEY,
Government Agent.

No. 5.

The Hon. the GOVERNMENT AGENT, Kandy, to the Hon. the COLONIAL SECRETARY.

No. 1,746. Kandy Kachchéri, 21st December, 1885.

SIR,—WITH reference to your letter No. 1,468 of the 14th instant, although I at one time deprecated any interference with the matrimonial customs of the Mohammedans of Ceylon, I have the honour to state that, in view of the satisfaction with which the proposal is generally regarded by the intelligent portion of the Mohammedan community, I am of opinion that the Ordinance should be passed.

2. The sentimental objections which have been offered to the so-called legalisation of polygamy may be dismissed with the remark that it is not intended to legalise anything which has not hitherto been legal, and that the object to be attained is the systematic and permanent registration of perfectly legal civil contracts, which are now recorded in the roughest and most uncertain manner, or not recorded at all. To admit the legality of such contracts, but to deny to them legislative protection on the ground that they form part of a religious system which is not our own, seems to me to savour of intolerance.

3. It is, I think, to be regretted that the Hon. the Attorney-General cannot see his way to embody in the Ordinance provisions for the registration of divorces: first, because those interested in the question have expressed themselves in favour of such a course; and next, because any law under which the mutual acceptance of a contract is recorded, while the cancellation of it is allowed to remain unrecorded, appears to be, on the face of it, incomplete.

4. As regards the details of the proposed Bill, I have the honour to offer the following observations:—

Clause 1.—"It extends to the whole Island." It was a question, in my mind, whether the Ordinance should not be introduced into different parts of the Colony by Proclamation, as the inhabitants express a wish for its introduction, or show themselves to be sufficiently acquainted with its provisions to be ready to receive it. There are, however, valid objections to this, and on the whole I am inclined to think it would be better to fall back upon the latter portion of the clause; but it will be necessary to postpone its introduction, as therein provided, until the Government Agents have had time to make it their special business to explain the Ordinance to the people in the various districts of their Provinces. The measure has been freely discussed in the columns of a Mohammedan newspaper which has a fair circulation in the larger towns; but there are probably many remote villages in the Eastern, Northern, and North-Western Provinces where nothing has been heard of it.

Clause 4.—In line 13 I should omit the words "of the Province." The jurisdiction of the "officiating priest" should be restricted as much as possible to the local limits within which he holds office as "Lebbe"; and of the "Mohammedan other than an officiating priest" to those within which it is necessary to provide a person to register marriages in the absence of a "Lebbe."

Clause 6.—This seems to me to be a convenient place for introducing a provision under which certain information will be obtained, the absence of which leaves the woman, as one of the contracting parties, in uncertainty as to the position she occupies. How is the woman to know whether she is a second or third wife? If the column "Bachelor or Widower" in the form (Schedule C) is retained, she will know whether she is a first wife or not, but no more. A case has been mentioned to me of a man who had been settled at Batticaloa, where he had property and a wife, and who came to Kandy (where he also had property) and married another wife, without notice to her of any previous marriage. It would, I think, be well to require that the man should make a declaration upon this point, which should form part of the entry under clause 6.

Clause 7.—The entry in the "Minute Book" should be witnessed, as is the entry of marriage under clause 6.

Clause 14.—The necessity for this clause is not, I confess, apparent to me. Under clause 20 registration is, in the case of Mohammedan marriages, made—what, under the ruling of the Supreme Court, it is not in the case of other marriages—essential to their validity; and yet a marriage which has during the lifetime of the parties been invalid, may be made valid after the death of one party! It is true that this provision is safeguarded by certain conditions which must be antecedent to it; but these conditions will, after the lapse of years, either be so difficult of proof as to make the provision futile, or they must be admitted on such shadowy grounds as to make the provision a very dangerous one. The requirements of clauses 5 and 6 are so clear that, assuming that the Ordinance has only been introduced after giving the fullest opportunity to all of becoming acquainted with its provisions, it is difficult to imagine circumstances in which the conditions of clause 14 can be fulfilled.

5. I have no remark to make on the other clauses of the Bill.

I am, &c.,
P. A. TEMPLER,
Acting Government Agent.

No. 6.

The GOVERNMENT AGENT, Anurádhapura, to the Hon. the COLONIAL SECRETARY.

No. 459. Anurdáhapura Kachchéri, 31st December, 1885.

SIR,—I HAVE the honour to acknowledge the receipt of your letter No. 372 of the 14th instant, forwarding for my opinion the draft of an Ordinance making provision for the registration of Mohammedan marriages.

2. The measure is of some local importance, as its operation would affect about one-ninth of the whole population of the province, but it has excited very little attention, because legislation of the character contemplated has not been expected, and the passing of the Ordinance would come, I believe, as a surprise to the rural population generally.

3. There is nothing, however, in the provisions of the proposed measure which is likely to prove distasteful to the members of the Mohammedan community. On the contrary, the advantages offered by a more regular system of registration are sure to be fully appreciated, and a ready compliance may be expected with the requirements of a measure which in no way runs counter to prevailing customs or to religious observances.

4. The only ground on which I should expect an expression of dissatisfaction is the omission of any provisions for the registration of divorces. The record of a divorce in some form or other is an important, and, I believe, an essential part of the present informal system of registration practised by the Mohammedans—a system which, however open to abuse, has nevertheless answered its purposes remarkably well on the whole, and has been the means of preserving the Mohammedans from much social strife and disorder connected with questions of inheritance and succession.

5. At present, as I am informed, the "kadutham" preserved by the Levvais is the record of the marriage and also of the divorce, and a divorced wife and her subsequent issue are prevented from setting improper claims by the registration of the divorce at the time it occurs. No such safeguard is provided by the Ordinance in contemplation, which will practically upset the rough system of registration in use, and till the registration of divorces is made a part of its provisions it will be looked upon as an imperfect piece of legislation.

6. That there is a desire on the part of the more enlightened Mohammedans to improve upon the rude form of registration in use seems evident from the introduction of this Bill, but it is also true that the great majority of the Mohammedans are satisfied with the existing state of things, and that any legislation that we devise will, in a measure, be forced upon them, and they will certainly have occasion to be dissatisfied if we upset customs which have worked so well for centuries, and replace them by a half measure of reform.

I am, &c.,
F. C. FISHER,
Government Agent.

No. 7.

The GOVERNMENT AGENT, Jaffna, to the Hon. the COLONIAL SECRETARY.

No. 1. Jaffna Kachchéri, 2nd January, 1886.

SIR,—REFERRING to your letter No. 457 of the 14th December last (and your telegram of the same day), forwarding the draft Ordinance relating to the registration of Mohammedan marriages, for any remarks that I might have to make on it, and asking what use is made by the Mohammedans of this province of the kaḍuttams, I have the honour to forward for your information an original paper of information given to me, at my request, by the fourth clerk of this Kachchéri, Mr. E. Abdulcader Lebbe, one of the leading Mohammedan gentlemen of Jaffna, an original paper of inquiry made at my request by the Assistant Agent, Mannár,* and an original report from the Aḍigár of Músali and Nanaḍḍan Pattus of the Mannár District.

It was my intention to have made inquiries personally from the Moormen of the Músali and Nanaḍḍan Pattus, while on circuit a few days ago, but the flooded state of the country prevented my doing so, and I requested the Aḍigár of Músali to make a report.

The papers afford information in regard to kaḍuttams from the three centres of the Moorish population of this province, viz., Vannarponnai in Jaffna, Erukkalampiḍḍi in Mannár Island, and Músali and Nanaḍḍan Pattus in the Mannár district.

It will be seen from the papers that the kaḍuttams are very important documents, that no provision is made by law for their safe custody, and that very serious irregularities are committed in regard to them by some of those persons who have charge of them.

I beg to invite special attention to the paper given by Mr. E. Abdulcader Lebbe, and the report of the Aḍigár of Músali.

Legislation in regard to Mohammedan marriages, &c., is no doubt much needed, but the subject is a very complicated one, and it is in my opinion absolutely necessary that Government should declare, in the preamble of any Ordinance that may be brought forward, the policy it has determined to adopt in regard to Mohammedan marriages, and should distinctly lay down whether the existing custom (legalised by the regulation of 1806), which allows a Mohammedan to have four wives at one time, is to be recognised and continued under the new law, which shall render compulsory the registration of the marriages of all four wives; or whether, as far as the law is concerned, that custom shall be abolished, and a Mohammedan, like a Christian or a Hindu, shall have but one wife at a time, whose marriage shall be registered under the new law, which shall treat as concubines the other wives whom, by the sanction of his religion and by long custom, a Mohammedan may have.

The draft Ordinance is defective in my opinion, as it is not stated in the preamble or any part of the Ordinance on what lines it is drawn up.

In the preamble it is stated that it is an Ordinance for the registration of Mohammedan marriages.

The repealing clause repeals certain clauses of the regulation of 1806, but leaves untouched that clause of the regulation which legalises the custom which allows a Mohammedan to have four wives at a time, under certain conditions.

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* Not printed.

In no part of the Ordinance is it stated that a Mohammedan shall have but one wife at a time, and yet in the schedule C provision is apparently made for the registration of the marriage of only one wife, for one of the headings of the register and certificate of marriage in schedule C is as follows, viz., "Bachelor or Widower."

A man with one, two, or three wives living is neither a bachelor nor a widower, and if he chooses to marry a fourth, and have the marriage registered under the proposed Ordinance, how is he to be styled, and in what light will the law regard the other wife or wives who had been legally married under the custom of the Mohammedans, as laid down in the regulation of 1806?

On the Ordinance being first published in the *Gazette* I requested Mr. Abdulcader Lebbe to obtain for me the views of the Moors of Vannarponnai in regard to it, and I annex his original paper of remarks, which I was about to send on to you from Vavuniya-Vilánkulam when I received your telegram regarding kaḍuttams.*

I annex for your information copy of a telegram I have sent to you to-day,* in which I have taken the liberty to suggest that the draft Ordinance be withdrawn, and that, in reference to what has come out in regard to kaḍuttams, Government do obtain full information through a Commission, respecting Mohammedan marriages, &c., before legislating further on the subject.

I am, &c.,

W. C. TWYNAM,
Government Agent.

Enclosure No. 1 in No. 7.

Mr. E. ABDULCADER LEBBE to the GOVERNMENT AGENT, Jaffna.

19th December, 1885.

SIR,—I BEG to enclose a paper containing all the information that I can give regarding kaḍuttams.

A copy of the printed rules of the Mohammedan marriages, &c., is also enclosed. The rules contained in it nearly corroborate with the precepts of Koran and the sayings of the Prophet.

I beg to remain, &c.,

E. ABDULCADER LEBBE.

Sub-Enclosure in Enclosure No. 1 in No. 7.

KAḌUTTAM is a record of certain transactions connected with a marriage, and it serves for the following purposes, viz :—(1) As a marriage register ; (2) As a dowry deed ; (3) As a deed of "Mahar," due to the bride by the bridegroom.

It is for these three purposes that a kaḍuttam is used by the Moors of this province.

The rules of Mohammedanism do not require that a kaḍuttam should be written, or register kept for marriages in order to render them valid. It is sufficient if the marriage is declared and accepted verbally in presence of two witnesses. Form of marriage declaration, &c., is annexed. (Annexure A.)

As, however, the writing out of kaḍuttam appears to be enacted by the incorrect Mohammedan law passed in Council in 1806 (*vide* article 73, copy of which is given below), it is considered as essential to prove a marriage :—

73. "The priest and commandant are then obliged to record all such transactions, and to permit "the marriage ceremonies to be performed."

A form of kaḍuttam is annexed (Annexure B), and the following points embodied in it, viz. :—

a. Date of the marriage, which, in almost all cases, is the date of writing out of the kaḍuttam (always the Christian era is adopted in Jaffna).
b. Names of the bridegroom, of his father, and of his grandfather.
c. Names of the bride, of her father, and of her grandfather.
d. Description and amount of mahar.
e. The dowry agreed upon.
f. Names of the witnesses.
g. Name and signature of the lebbe, who is called a "muhallam" (in kaḍuttams).
h. Signatures of (1) the bridegroom, (2) the bride's "walee" or guardian, (3) those who give the dowry, if any, (4) witnesses.

Formerly the mahar was fixed at so many kalanchies of gold or pearl of such a sort, and so written in the kaḍuttams ; now they give also the estimated value of it. Formerly no stamp was affixed for the mahar, but now they affix (according to the scale laid down for debt bonds) if the kaḍuttam is to be attested by a notary.

The witnesses in kaḍuttams are generally four in number, two of whom are nominated by the bridegroom's party and two by the bride's party ; whereas, as per rules of Mohammedanism, two male witnesses are sufficient for a marriage.

Until very lately, the office copies, or protocols of kaḍuttams kept by the lebbes, were first written in detached sheets of paper for each kaḍuttam, and then stitched together whenever the lebbes pleased. Now, for some years past, they are kept in bound books in Jaffna. The protocols are also signed by the parties. I do not think that bound books are used in Mannár and other places of the province. Only one instance is known in which the lebbe's protocol was destroyed by him at Jaffna being influenced by a certain party ; and one instance in which a forged and

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* Not printed.

ante-dated kaḍuttam was inserted into his files (also at Jaffna). The former took place about the year 1824, and the latter about 1850.

It was represented, I understand, in 1824, by the then Moorish Maniágar to the Collector or Government Agent, that it was very unsafe to allow the protocols of kaḍuttams to remain with the lebbe; and on the order of the Collector all the protocols of the Jaffna lebbe up to 1824 were delivered at the Provincial Court, and they now remain in the District Court in a miserable condition, as I understand, all the stitchings having given way, and the books otherwise damaged. The protocols subsequent to 1824 are with the old lebbe.

In Jaffna, for some years past, the bridegrooms get their kaḍuttams, by which dowry is conveyed, especially when it includes landed property, attested by a practising notary, and it is thereby rendered a legal title-deed for the dowry property. This course prevents the lebbes from committing fraud in respect of those kaḍuttams. Most of the kaḍuttams in Jaffna are thus attested by notaries. All the kaḍuttams intended to be attested by notaries are duly stamped (for the amounts of mahar and of dowry that may be mentioned therein) in accordance with the scales laid down in the Stamp Ordinance.

Marriages without giving or agreeing to give dowry are very few in Jaffna, and they take place only among very poor people, and hence the lebbes have no inducement to commit fraud in respect of the kaḍuttams written out even for these marriages, though they are not attested by a notary.

It is, however, considered that it would be safe to cause all the old protocols subsequent to 1824 also to be kept in the District Court or some other Public Office.

If a kaḍuttam is to be attested by a notary, the lebbe has to write four copies—one for his protocol, one for notary's protocol, one to be given over to the bridegroom after attestation, and one to be sent to the Land Registrar's Office by the notary with his other deeds.

If the kaḍuttam is not to be attested by a notary, the lebbe has only to write out two copies—one for his protocol and one to be given over to the bridegroom.

Kaḍuttam is written by the same lebbe who performs the marriage ceremonies.

The lebbe is paid a fee of from Rs. 1·50 to Rs. 2·25 in Jaffna, for writing out the kaḍuttams and solemnizing the marriage; but for writing out the extra copies of kaḍuttams for the attestation of the notary, an additional fee of 75 cents is paid to the lebbe.

There are two lebbes now in Jaffna who solemnize marriages and write out kaḍuttams, owing to a disagreement among the members of the Moorish community, and they both are paid at the same rate.

When a divorce is effected it is noted or endorsed in the kaḍuttam, and the lebbe gets a separate fee for it. Divorce is rare in Jaffna, and the fee paid therefor is not fixed. I understand that the lebbe charges a higher fee for divorce than for solemnizing a marriage and writing out the kaḍuttam.

The protocols of kaḍuttams are always written in the Tamil language, but in Arabic characters, with a slight modification of the signs thereof in order to suit the Tamil sounds. It is called "Arabu-Tamil," and most of the Mohammedans can read it. The original and the copies for the notaries were also formerly written in the same way; but recently, as the Tamil notaries refused to attest them, the copies to be attested are now written in Tamil characters.

In almost all cases the declaration, &c., connected with the contracting of the marriage, the writing out of kaḍuttam, and the ceremony of handing over of the bride by her father or other walee to the bridegroom, are all done on the same day; but in rare cases either the handing over of the bride, which is called kaipiḍittal, or the writing of kaḍuttam, is postponed for another day. The bridal union does not take place in Jaffna until the ceremony of kaipiḍittal is over, though it does not form an essential part of the marriage ceremonies according to the rules of Mohammedanism. The writing of kaḍuttam will not be postponed by parties who have no confidence on each other.

Annexure A.

Formula of Marriage, or form of Verbal Marriage Contract.

It consists of the declaration or proposal of the father or other walee of the bride, and the acceptance or consent of the bridegroom.

Walee's declaration:—"I give thee in marriage my daughter (or sister, &c., as the case may be) "Fatima (if so) on such a mahar."

Bridegroom's acceptance:—"I accept her marriage on the mahar just mentioned."

In Jaffna, the walee generally appoints the lebbe to make the declaration or proposal on his behalf, and the lebbe does so for the walee, and performs the prayers and ceremonies.

Annexure B.

Form of Kaḍuttam, as written and used in Jaffna.

On the 5th day of January, 1885, the following agreements have been made while recording the marriage between Ahumadu, son of Hassan, son of Omar, and Fatima, daughter of Meera Lebbe, son of Meideen, both of Jaffna, on a mahar of 200 kalanchies of gold, or its value Rs. 900, viz., kaikooli* Rs. 300, kalkalanchu Rs. 300. The kaikooli amount has been paid in cash by the father of the bride to the bridegroom; for the kalkalanchu amount, silver and gold jewels have been given to the bride by her

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* Kaikooli is intended to be money given to the bridegroom as a capital to trade with; kalkalanchu is jewels for the bride.

father. The following dwelling-compound has also been given, viz., a piece of land belonging to the bride's mother, Zainab, by right of purchase, situated at Vannarponnai West, called Pulyádi, containing in extent 4 lachams of varaku culture, with house, well, and plantations, and bounded on the east by Bawa, north by Rajab, west by lane, and south by Crown land. The estimated value of this land is Rs. 800. The witnesses for this are M. Jelal, S. Bawa, T. Omar, and N. Sultan.

This kaḍuttam was written by

S. B. HASSAN LEBBE,
Muhallam.

Witnesses: M. JELAL. S. BAWA. T. OMAR. N. SULTAN.

H. AHUMAD.
M. MEERA LEBBE.
Mark of + ZAINAB.

Enclosure No. 2 in No. 7.

The AḌIGÁR of Múṣalai to the GOVERNMENT AGENT, Jaffna.

Mannár, 23rd December, 1885.

SIR,—IN obedience to your verbal order, I beg respectfully to submit that several disputes about lands in my division have come before me for settlement, and I have experienced much difficulty to settle the same owing to the inability of the party complainant to produce the kaḍuttams before me, for the following reasons, viz., first, kaḍuttams or dowry deeds among the Mohammedans are written on pieces of olah, and deposited with the levvai in whose presence the marriage has been contracted; secondly, when any disputes arise about the lands referred to in these kaḍuttams, after the death of the levvai in whose custody they have been deposited, it is quite out of the power of the party aggrieved to produce the kaḍuttam, because he is not aware where these kaḍuttams are kept by the levvai, or what has become of them.

In some cases, if the adverse party be an influential man, he bribes the wife of the levvai, or other person who is in possession of these kaḍuttams after the death of the levvai, to hide them.

In the event of the levvai being alive, and if the adverse party be an influential man, he bribes the levvai, and substitutes a new kaḍuttam with any alteration he likes to suit his purpose for the old one. In this manner the kaḍuttam system has been much abused, and is open to all sorts of dishonest acts.

I beg to remain, &c.,

W. SEEMANPILLAI,
Aḍigár of Múṣalai.

XXIII.—1885.

POSTAL RATES

AND

CONVEYANCE OF MAILS TO INDIA.

REPORT of a SELECT COMMITTEE of the LEGISLATIVE COUNCIL appointed to consider and report upon the Question of Postal Rates between Ceylon and India, and also of the Carriage of Mails between Ceylon and India.

Ordered by the Legislative Council to be Printed.

Colombo:

GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1886.

EXTRACT from the Minutes of the Legislative Council dated 18th December, 1885.

"That a Select Committee of this Council, composed of the Auditor-General, the Treasurer, the Hon. F. M. Mackwood, and the Hon. R. A. Bosanquet, be appointed to deal with the question of Postal Rates between Ceylon and India, and also of the Carriage of Mails between Ceylon and India."

POSTAL RATES AND CONVEYANCE TO INDIA.

WE, the Select Committee of the Legislative Council appointed to consider and report upon the questions of Postal Rates between Ceylon and India, and also of the carriage of Mails between Ceylon and India, have the honour to report as follows :—

The complaint made by the Chamber of Commerce in their letter of 28th July, 1885, addressed to the Colonial Secretary, was based upon a representation of the Manager of the Chartered Mercantile Bank, supported by Mr. Daendliker, of the firm of Messrs. Volkart Brothers. It was therefore advisable to ascertain the exact nature of their experiences, and obtain from them details of the grievances which they desired to see remedied. Briefly stated, they are as follows :—

1st.—Uncertainty in the date of departure of B. I. S. N. steamers to Tuticorin.

2nd.—Irregularity in the intervals between the dates of such steamers leaving Colombo, as much as 14 days having elapsed between the departures of two succeeding steamers.

3rd.—Want of sufficient notice from the Post Office and ships' agents before closing such mails.

4th.—Delay in the despatch of letters (addressed for named steamer) in cases when the steamer has been accidently delayed, by which delay duplicates have been delivered prior to the originals.

It was admitted that, *numerically*, the opportunities of despatching mails by steamer to ports in Southern India are amply sufficient, but the irregularity as regards the date and hour of closing the mail causes much annoyance and trouble, both to the banking and mercantile community, whose postal advices must of necessity be kept open as far as possible up to the hour of the closing of the mail.

The Postmaster-General states, with regard to paragraphs 5, 6, and 7 of the letter above referred to, "that a mail is despatched by every steamer leaving Colombo for any of the South Indian ports, by which all letters are forwarded to the port nearest in time or distance to their destination," and he adds that "all the recommendations made by the Chamber of Commerce have been in force for years."

Irregularities in the internal working of the Post Office must occasionally be expected, and when these are brought to the notice of the Postmaster-General, they are promptly inquired into and dealt with as circumstances demand.

From evidence laid before the Committee it is clear that there is at times a want of intelligence and proper precaution in the despatch of mail packets to India, whereby letters are unnecessarily delayed. This may, in part, be attributed to the great number of opportunities which present themselves in the shape of calling steamers, as many as three alternative routes being at times available in the twenty-four hours. There is no doubt that the public generally do not appreciate or take pains to ascertain the alternative routes by which their letters may be transmitted, and the Postal authorities have not hitherto indicated with sufficient clearness which route is the most expeditious on any particular date.

The four grievances previously mentioned are all of sufficient might and reality to call for every consideration on the part of the Government and the Postal authorities.

The subject of improved postal communication with Tuticorin has been a matter of correspondence between the Indian Postal authorities and the Postmaster-General of Ceylon for some time past, and reference to the Administration Report for 1884 shows that the Postmaster-General is in favour of an improved communication by means of steam launches between Kánkesanturai and Point Calimere. In view, however, of the length of time occupied in transporting the mails from Colombo to Kánkesanturai, the Committee deem it desirable that regular and more frequent steam communication should, if possible, be established between Colombo and Tuticorin ; and to secure this it would be necessary to subsidise a steamer or steam company. The Postmaster-General estimates that, allowing for an increase in the number of postal packets, the sum available from his Department would approximately be Rs. 10,000 per annum, but it is manifest that such a sum would offer little inducement to any steamship owners, except those who are already engaged in the coasting trade.

The larger steamers belonging to the B. I. S. N. Company are preferred by the immigrant labourers, and the local agents of that Company are of opinion that one of the smaller steamers of this line, if laid on to ply twice a week each way between Tuticorin and Colombo, would not command the same amount of traffic as the larger steamers at present secure ; but, on the other hand, they think it probable that the payment of a moderate subsidy would ensure punctuality in the arrival and despatch of the present weekly service.

A regular weekly service would, in a great measure, meet the requirements of the Colombo community, but a regular service each way, twice a week, should be obtained *if practicable, at a moderate cost.*

Should a service such as that last named be established, the Committee are of opinion the present dâk service should be abolished, and a rate of 20 cents per half ounce levied on all letters sent to India. The Postmaster-General is of opinion that the increase of rates from the present dâk rate of 15 cents to 20 cents would tend to diminish the amount of native correspondence carried by mail, which at present goes almost entirely by dâk, and would tend to increase the system of illicit conveyance of letters by passengers, which is known in the Post Office as "club packets"; but the Committee think that increased vigilance by the Postal and Customs authorities at both ends, and the employment of proper means of detection, would very speedily stamp out this evil.

It has been represented to the Committee that a postal service such as they now recommend has been previously contemplated, but was abandoned owing to the stringent quarantine regulations of this Port; and, having carefully considered this question, they have no hesitation in recommending that either a quarantine depôt north of the Kelani river, or a quarantine hulk in the harbour, should be established by Government. The difficulties and annoyance which would otherwise accrue, should there be a case of cholera or other infectious desease on board one of the steamers carrying the mail, would thereby be minimised, and the communication with the mainland would not be liable to interruptions.

Pending the carrying out of the above recommendation with regard to a bi-weekly service between Colombo and Tuticorin, the Committee are of opinion that the rate of postage per half ounce on letters forwarded by P. & O. and M. M. steamers should be reduced from 25 cents to 20 cents, the rate by British India steamers and by dâk remaining as at present—*i.e.*, 15 cents per half ounce.

W. H. RAVENSCROFT.
G. W. PATERSON.
F. M. MACKWOOD.
R. A. BOSANQUET.

XXIV.—1885.

IRRIGATION WORKS.

RETURN OF IRRIGATION WORKS EXECUTED IN THE SEVERAL PROVINCES OF THE ISLAND FROM DATE OF THE LAST RETURN TO 30TH JUNE, 1885.

Ordered by His Excellency the Governor to be Printed.

Colombo:
GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.
1886.

RETURN OF IRRIGATION WORKS EXECUTED FROM DATE OF THE LAST RETURN TO 30TH JUNE, 1885.

RETURNS BY THE SEVERAL GOVERNMENT AGENTS.

Name of Work.	Date of Commencement.	Date of Completion.	Estimated Extent capable of Irrigation.	Actual Extent under Cultivation.	Extent of Land belonging to Government.	Extent of Government Land sold.	Amount realised by Sale.	Amount realised on Water-rate.	Amount due on Water-rate.
			A. R. P.	A. R. P.	A. R. P.	A. R. P.	Rs. cts.	Rs. cts.	Rs. cts.
Western Province.									
Colombo and Negombo.									
Wooden anicut at Koṭugoḍa	July, 1884 ...	September, 1884 ...	118 0 0	114 0 0	—	—	—	—	— *a*
Negombo.									
Nágahawęwa at Doranégoḍa	May, 1885 ...	May, 1885 ...	74 0 0	74 0 0	—	—	—	—	—
Goḍawęwa at Doranégoḍa	May, 1885 ..	May, 1885 ...	50 0 0	50 0 0	—	—	—	—	—
Kalutara.									
Módarawila-ęla sluice-gate	1882	1884	306 0 0	240 0 0	50 0 0	—	—	—	—
Téragala-ęla sluice	1885	Not yet completed	204 0 0	122 0 0	82 0 0	—	—	—	—
Ratnapura.—Nil.									
Kégalla.—Nil.									
North-Western Province.									
Kurunégala.									
Kuḍugalapiṭiya	December, 1870 ...	December, 1871 ...	390 0 0	287 3 33	0 3 29	49 2 38	2,304 0	9,301 28*b*	1,866 55*c*

a One-fourth of the cost of the work, amounting to Rs. 215, was recovered from the field-owners benefited. The work has been washed away.

b Rs. 8,780·83 recovered up to 30th June, 1885; and Rs. 520·40 between July and October, 1885.

c The amount of water-rate due is Rs. 9,317·25, to be paid in ten annual instalments commencing from 1875.

The original assessment was for 289 acres and 18 perches, at Rs. 3·23 = Rs. 934·12, from which was deducted for Crown lands and a cocoanut garden in extent 2 acres, 1 rood and 6 perches = Rs. 7·39; and .. A. R. P. 286 3 12 .. Rs. 926 cts. 73

The recovery of 1st instalment for 1875 was ... ... 287 3 33 ... 930 38

The 2nd instalment recovered for 1876 was 286 acres, 3 roods, and 12 perches; add Crown lands since sold, 1 acre and 21 perches 287 3 33 ... 930 38

The 3rd instalment recovered for 1877 was ... ... 287 3 33 ... 930 45*

The 4th do. for 1878 was ... ... 287 3 33 ... 930 38

The 5th do. for 1879 was ... ... 287 3 33 ... 930 38

The 6th instalment recovered for 1880 was ... ... 287 3 33 ... 930 38

The 7th do. for 1881 was ... ... 287 3 33 ... 930 38

The 8th do. for 1882 was ... ... 287 3 33 ... 930 38

The 9th do. for 1883 was ... ... 287 3 33 ... 930 38

The 10th do. for 1884 was ... ... 287 3 33 ... 931 39*

The recovery of the 10th instalment was closed in October, 1885, and the lands under this tank have been assessed for cost of maintenance at Rs. 15 per annum, commencing from 1885.

The original estimate was Rs. 9,090 for an anicut, and Rs. 4,901 for a channel. When a certain expenditure had been incurred on the latter, it was found that it would cost another Rs. 10,000 to complete it, and it was abandoned.

* 7 cents over-recovered by mistake.

* Of this sum an amount of Rs. 410·99 was recovered and credited up to end of 30th June, 1885, and the difference, Rs. 520·40, between July and October, 1885.

Name of Work.	Date of Commencement	Date of Completion	Estimated Extent capable of Irrigation	Actual Extent under Cultivation.	Extent of Land belonging to Government.	Extent of Government Land sold	Amount realised by Sale	Amount realised on Water-rate.	Amount due on Water-rate.
North-Western Province.									
Kurunégala.			A. R. P.	A. R. P.	A. R. P.	A. R. P.	Rs. cts.	Rs. cts.	
Wennóruwęwa	June, 1871..	July, 1874.	419 3 12	193 1 14	6 1 17	27 2 16	1,307 0	1,855 87	— a
Mágalawęwa	August, 1871.	December, 1873..	2,000 0 0	463 1 6	1,227 0 36	477 0 23	5,129 0 b	2,767 90	— c

	A. R. P.		Rs. cts
Acreage according to original specification	419 3 12*		
Deducted for Crown lands	27 2 16		
	392 0 36		
Do. for lands for which special service channels were required for irrigating...	229 2 26		
	162 2 10		
Do. for lands exempted on account of water obtained from owners' reservoirs .. .	24 2 34		
Assessed and recovered for 1875	137 3 16	=	138 17
Add Crown lands sold in 1876	27 2 16		
	165 1 32		
Lands exempted in 1875 now assessed for water-rate ...	24 2 34		
Recovered for 1876	190 0 26	=	190 54
Add lands asweddumised in 1877	10 2 1		
Deduct	200 2 27		
Lands exempted as not being irrigable . ..	3 0 28		
Recovered for 1877	197 1 39	=	197 86
Recovered for 1878	—		197 86
Deduct for lands exempted as not being irrigable, *vide* Colonial Secretary's letter No. 502 of 31st December, 1879 ...	7 2 7		
Recovered for 1879	189 3 32	=	192 29†
Deduct for lands exempted as not being irrigable, *vide* Colonial Secretary's letter No. 502 of 31st December, 1879 ...	2 1 33		
Recovered for 1880	187 1 39	=	187 83
Recovered for 1881	—		187 83
Recovered for 1882	—		187 83
Recovered for 1883	—		187 83
Recovered for 1884	—		187 83
Due for 1885	187 1 39		
Lands since asweddumised	5 3 15		
	193 1 14	=	193 73
Recoveries up to 30th June, 1885	—		Nil‡

* Water-rate Rs. 1 per acre per annum in perpetuity † Rs. 1·99 over-recovered by R. M. by mistake.
‡ A sum of Rs. 191·39 has been recovered and credited in November and December, 1885. The balance, Rs. 3·24, will be recovered in January, 1886.

b. Sold in terms of Sir Henry Ward's Minute of 25th February, 1857.

c. Acreage according to original specification—2,000 acres; water-rate, Rs. 1 per acre per annum in perpetuity.

	A. R. P.		Rs. cts.
The first recovery commenced from 1875 for extent under cultivation	250 0 0	=	250 38
Deduct lands exempted for 1876 on account of the defacing of the channel leading to certain tracts of fields .	4 2 18		
Recovered for 1876	245 1 22	=	245 82
Deduct over-entry by mistake of headman	0 1 19		
	245 0 3		
Add lands that were exempted for 1876 .	4 2 18		
Recovered for 1877	249 2 21	=	250 1
Add lands asweddumised in 1878	13 0 0		
Recovered for 1878	262 2 21	=	263 1
Add for lands to which channels have since been opened ...	16 3 8		
	279 1 29		
Deduct for lands declared to be Crown	1 0 0		
Recovered for 1879	278 1 29	=	278 81
Add lands asweddumised in 1880	1 0 0		
Recovered for 1880	279 1 29	=	279 81
Add lands asweddumised in 1881	16 0 32		
Recovered for 1881	295 2 21	=	296 22*
Recovered for 1882	—		296 1
Recovered for 1883	—		297 7†
Due for 1884	295 2 21		
Deduct for lands purchased by Crown from defaulters ..	5 2 7		
Recovered for 1884	290 0 14	=	290 76‡
Add for lands sold under Sir Henry Ward's Minute, and liable to pay water-rate from 1885	173 0 32		
Due for 1885	463 1 6	=	463 66§

* Over-recovered 21 cents. † Over-recovered Rs. 1·06. ‡ Over-recovered Rs. 0·30.
§ A sum of Rs. 375·75 was recovered and credited in November and December, 1885. The balance will appear recovered in January, 1886.

Name of Work.	Date of Commencement.	Date of Completion.	Estimated Extent capable of Irrigation.	Actual Extent under Cultivation.	Extent of Land belonging to Government.	Extent of Government Land sold.	Amount realised by Sale.	Amount realised by Water-rate.	Amount due on Water-rate.
North-Western Province—*contd.*									
Kurunégala—contd.			A. R. P.	A. R. P.	A. R. P.	A. R. P.	Rs. cts.	Rs. cts.	Rs cts.
Galgomuwa	November, 1875 ...	June, 1877 ...	500 0 0	377 0 0	12 3 17	38 2 24	520 0	2,019 76	— *a*
Mediyáwa	July, 1878 ...	August, 1879 ...	535 0 20	366 2 1	106 3 21	10 2 30	40 63*b*	—	— *c*
***Puttalam.*—Nil.**									

a The acreage according to original specification was 1,500 acres private and Crown land, of which 381 acres, 3 roods, 17 perches were assessed for water-rate at one rupee per acre per annum in perpetuity, and the water-rate was recovered from 1878 as follows:—

	A. R. P.		Rs. cts.
For 1878	381 3 17		
Deduct for Crown lands	46 2 0		
Recovered for 1878	335 1 17	=	335 82
For 1879	335 1 17		
Add Crown lands sold	33 2 23		
Private land brought under the operation of the tank ..	4 0 0		
Recovered for 1879	373 0 0	=	373 47
Recovered for 1880	373 0 0	=	186 73*
No recoveries for 1881	373 0 0		— †
Recovered for 1882	373 0 0	=	373 48
Recovered for 1883	373 0 0	=	373 47
Add lands since asweddumised	4 0 0		
Recovered for 1884	377 0 0	=	377 67‡
Recovered for 1885 up to end of June, 1885	—		Nil §

* Only 50 cents per acre recovered, on authority of Colonial Secretary's letter No. 41 of 9th February, 1881.
† Exempted for the year 1881 on authority of Colonial Secretary's letter No. 201 of 21st June, 1882.
‡ Recovered up to June, 1885, Rs. 376 79, and in July, 1875, 88 cents.
§ A sum of Rs. 69·39 has been recovered and credited for 1885 in December; the balance is being collected.

b Sold under Sir Henry Ward's Minute. The sum of Rs. 40·63 is ¼ of the purchase amount recovered.

c The acreage according to original specification was for 500 acres, since ascertained to be 535 acres and 20 perches, viz.:—

	A. R. P.
Private lands	301 2 0
Crown lands to be sold	183 2 20
Private lands to be asweddumised	50 0 0
	535 0 20

By Colonial Secretary's letter No. 479 of 22nd October, 1877, a water-rate of one rupee per acre per annum for 10 years was sanctioned.

By Colonial Secretary's letter No. 105 of 13th March, 1879, it was laid down that the land should be assessed for repayment in 10 years by equal annual instalments of the whole cost of the masonry and earthwork.—See also Colonial Secretary's letter No. 74 of 31st March, 1880.

The consent of the landowners having been obtained, the above extent of 535 acres and 20 perches was assessed at Rs. 3·05 per acre, to repay total cost of repairs in ten yearly instalments.

By a revision of the list of private lands under cultivation, the total extent was found to be 320 acres, 3 roods, 34 perches, on which extent an amount of Rs. 970·56½ was recovered for the year 1881 at the assessed rate of Rs. 3·05 yer acre, leaving a balance of Rs. 8·38½ to be recovered.

By Colonial Secretary's letter No. 335 of the 11th October, 1883, Government permitted repayment in ten years to be exchanged for a payment of a rupee an acre in perpetuity to commence from 1881.

The recoveries between 31st May, 1882, and 21st January, 1885, amounting to Rs. 986·39½, were brought to account as follows, at one rupee per acre in perpetuity:—

	A. R. P.		Rs. cts.
1881	322 3 54	=	322 88
1882	—		322 88
1883	—		322 88
(and the balance Rs. 17·68½ was credited for the year 1884.)			
Due for 1884	322 3 34		
Add lands since asweddumised	9 3 6		
Deduct lands erroneously entered in register from which water-rate is due in 1885 and 1886	332 3 0 7 2 0		
	325 1 0	=	325 18
Amount credited as above	—		17 68½
			307 49½
Recovered and credited up to end of June, 1885 ..	—		309 71
	Over-recovered Rs.		2 21½
Recovered for 1885 up to the end of June, 1885 ...			Nil.*

A sum of Rs. 327·40 has been recovered in and credited in December, 1885.

Name of Work	Date of Commencement.	Date of Completion	Estimated Extent capable of Irrigation.	Actual Extent under cultivation.	Extent of Land belonging to Government.	Extent of Government Land sold.	Amount realised by Sale.	Amount realised on Water-rate.	Amount due on Water-rate.
CENTRAL PROVINCE.									
Lower Dumbara.			A R P	A R P	A R P	A R P	Rs cts.	Rs cts.	Rs. cts.
Alutwelawahala-ela ... ... (Earthwork and clearing of jungle by villagers.)	June 2, 1885 ...	Not completed ..	500 0 0	94 0 0	—	19 3 16	—	—	—
Badulla.									
Kalupahana-ela	May, 1884 ...	October, 1884 ..	30 0 0	10 0 0	—	—	—	75 0	— *a*
Sudupané-wela	June, 1884 ..	December, 1884 ..	452 2 28	40 0 0	452 2 28	104 2 6	1,078 25	—	— *b*
Kudáwewa	August, 1883 ...	December, 1884	250 0 0	27 0 0	2 0 4	87 1 26	1,759 25	—	— *c*
Do.	May, 1885 ...	September, 1885							
Uma-ela	November, 1883 ...	April, 1884 ...	222 0 0	703 0 0	56 1 0	71 3 0	—	—	— *d*
Taldena-ela	do. ...	August, 1884	300 3 32	22 1 24	0 1 20	—	—	—	— *e*
Do.	February, 1884 ...	do.							
Do.	June, 1884 ..	September, 1884							
Do.	March, 1885 ...	November, 1885							
Buttala-ela anicut ...	May, 1885 ..	do. ..	—	727 0 0	97 0 0	—	—	—	— *f*
Telulla tank	August, 1884 ...	October, 1884 ..	18 0 0	6 0 0	12 0 0	—	—	—	— *g*
Punawewa	October, 1884 ..	November, 1885 ..	309 0 0	122 0 0	42 0 0	4 1 0	—	—	— *h*
Dunuwewa	March, 1884 ..	October, 1884	152 0 0	104 0 0	23 0 0	—	—	—	— *i*
Do.	do. 1885 ...	November, 1885							
Nuwara Eliya.									
(Kotmale.)									
Makandure-ela : expenditure Rs. 500 ...	April, 1885 ...	June. 1885 ...	34 0 0	34 0 0	—	—		—	— *j*
(Uda Hewáheta.)									
Kurunduoya-ela (upper): expenditure Rs. 900..	February, 1884 ..	April, 1884 ...	566 0 0	534 0 0	32 0 0	—	—	—	— *k*
Do. expenditure Rs. 598...	April, 1884 ..	May, 1884 ...							
(Walapané.)									
Mulabal-ela : expenditure Rs. 2,250 ...	February, 1884 ..	1884 .	280 0 0	196 0 0	64 0 0	—	—	—	— *l*
Eraulla-ela : expenditure Rs. 910 ...	May, 1884 ..	1884 ...	100 0 0	90 0 0	—	—	—	—	— *m*
Do. expenditure Rs. 2,450 ...	July, 1885 ..	October, 1885 ...							
Ambaliyadde-ela : expenditure Rs. 1,120 ..	August, 1884 ...	1884 ..	65 0 0	63 0 0	—	—	—	—	— *n*

a First instalment due in 1885 paid up in full.
b Water-rate to be paid in perpetuity at Rs. 1 per acre per annum. Land sold on 21st May, 1883. More land to be sold. Lands were advertised for sale, but no bidders came forward.
c No water-rate due; lands which were in default of payment of water loan having been purchased by the Crown at sale for default for want of bidders.
d No water rate recoverable.
e Do. Ela not yet completed.
f Do. Original loan by Government paid up in full.
g Do.
h No water-rate recoverable.
i Do.
j Head works resortation.
k Repairs to channel and head works. Stream crossings in Charley Valley estate.
l Restoration of the ela stream crossings. Completion of work already begun; see return for 1883.
m Stream crossings; head works; building a weir. Included in the return, as estimate was prepared in May and provided for the completion of the work of restoration.
n Stream crossings and head works.

Name of Work.	Date of Commencement	Date of Completion.	Estimated Extent capable of Irrigation.	Actual Extent under cultivation.	Extent of Land belonging to Government.	Extent of Government Land sold.	Amount realised by Sale.	Amount realised on Water-rate.	Amount due on Water-rate.
			A. R. P.	A. R. P.	A. R. P.	A. R. P.	Rs. cts.	Rs. cts.	Rs. cts.
North-Central Province.									
Etáwętunuwęwa	March, 1883...	February, 1884...	17 1 16	41 3 24	Unascertained.	—	—	These being village tanks, no water-rate is recovered.	Nil.
Tissawęwa (high level)	October, 1883...	do. ...	—	—		—	—		
Ratmalagahawęwa	December, 1883...	do. ...	36 1 0	39 2 16		—	—		
Mankadawęllewęwa (high level) ...	November, 1883...	do. ...	—	—		—	—		
Kahitigollęwa	October, 1883...	do. ...	42 1 24	66 3 37		—	—		
Petiyannekadawęwa	March, 1884...	April, 1884...	70 1 0	101 0 2		—	—		
Italwętunuwęwa	April, 1884...	July, 1884 .	31 0 24	28 1 33		—	—		
Diyamaylagahawęwa	do ...	August, 1884 .	33 2 8	38 0 4		—	—		
Kokkohewa	June, 1884...	November, 1884...	57 1 32	119 0 26		—	—		
Pandrallewa	do. ...	December, 1884 .	58 1 32	105 1 23		—	—		
Konwęwa	do. ...	November, 1884 .	54 3 16	114 1 9		—	—		
Diulwęwa	do. .	December, 1884...	42 1 24	75 2 37		—	—		
Kabatagahadigiliyewa	August, 1884...	February, 1885...	36 0 8	49 0 5		—	—		
Kokmaduwa	do. ...	do. ...	63 2 0	101 1 36		—	—		
Kápirigama spill	May, 1885...	November, 1885..	—	—		—	—		
Periyakulamawęwa	do. ...	do. .	35 0 24	56 2 22		—	—		
Himbutugollęwa	do. ...	do.	31 2 32	30 2 37		—	—		
Kurapayewęwa	do. ...	do.	33 2 19	27 1 28		—	—		
Kainattama Pahalawęwa	do. ...	do.	31 3 16	29 0 35		—	—		
Palukętuwęwa	do. ...	do. ...	30 2 30	73 2 30		—	—		
Padiketuwęwa	do. ...	do. ...	15 1 0	46 3 8		1 0 2	42 0		
Nellugollakadawęwa	do. ...	do. .	32 2 8	58 0 13		—	—		
Ambagahawęwa	do. ...	do. ..	47 1 8	38 0 4		—	—		
Digamhammillęwa	do ..	do. ...	57 0 8	68 0 10		—	—		
Southern Province.									
Hambantota.									
Walawe-ganga irrigation works ...	1885	—	4,000 0 0	2,884 0 0	— *a*	—	—	—	— *b*
Construction of a masonry anicut across the Kirama canal to store an additional two feet of water in the tank	1884	—	—	—	—	—	—	—	— *c*
Construction of a masonry anicut on the Welaela, and cutting a channel therefrom to the paddy fields. This forms part of the Udukiriwila waterworks	1884	1885	150 0 0	100 0 0	—	—	—	—	— *d*
Improvements and strengthening of the Arachchia Amuna on the Kirama stream at Daluwakgoda	1885	—	—	—	—	—	—	—	— *c*
Matara.—Nil.									

a Uncertain; probably 1,000 acres.
b The surveys in connection with this large scheme have been commenced, and as soon as they are completed, plans and estimate will be prepared.
c Not completed yet.
d The water-rate for all the Udukiriwila works amounts to Rs. 3,000 yearly.

Name of Work	Date of Commencement.	Date of Completion	Estimated Extent capable of Irrigation.	Actual Extent under cultivation	Extent of Land belonging to Government.	Extent of Government Land sold	Amount realised by Sale.	Amount realised on Water-rate.	Amount due on Water rate.
Eastern Province.			A R. P.	A R. P	A R. P	A R. P	Rs. cts.	Rs. cts.	Rs. cts.
Batticaloa.									
Roṭawęwa	22nd Sept., 1884 ...	Not completed	1,200 0 0	—	—	—	-	—	—
Trincomalee.									
Andankulam	23rd June, 1884 ...	Not completed	450 0 0	247 2 10	35 0 0	—	—	—	6,225 0a
Northern Province.			B. Q.	B Q.	B. Q.				
Vavuniya-Vilankulam.									
Maruthenkuḷam sluice	15th Sept., 1884 ...	31st Dec., 1884 ...	100 0 } b	70 0	30 0	1 1 2	14 0	—	— } c
Pattaniche Puliankuḷam sluice	1st Sept., 1884 ..	do. ...	70 0 }	48 0	22 0	5 1 0	57 0	—	— }

a This is payable when the tank is completed and water-rate levied.
b The extent put down includes the extent of land capable of irrigation ; that is, the waste land belonging to Government and the actual extent under cultivation
c No water-rate is recovered from these sluiced tanks. These sluices and spill-water were constructed by Government gratis.

XXV.—1885.

DESPATCH

FROM

GOVERNOR THE HON. A. H. GORDON, G.C.M.G.,

REGARDING THE

PAYMENT OF THE COST OF THE COLOMBO WATERWORKS.

(In continuation of No. XXI.)

Ordered by His Excellency the Governor to be Printed.

Colombo:

GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1886.

COLOMBO WATERWORKS.

Despatch from Governor the Hon. A. H. Gordon, G.C.M.G., to the Right Hon. the Earl of Derby.

No. 19.—*Miscellaneous.*

The Pavilion, Kandy, Ceylon,
17th January, 1885.

My Lord,—In connection with the Estimates of Revenue for the current year, I directed inquiry to be made in July last from the Municipality of Colombo as to the amount which would be contributed by that Body in 1885 on account of the Colombo Waterworks. I then anticipated the completion of these works by the contract date in May next, but it is now known that the works will not be completed till August, or, probably, October. It may, however, be confidently anticipated that in any case they will be in proper working order before the end of this year; and it is therefore necessary to come to some clear and definite understanding as to the limit of the liability of the Government on account of these works, and as to the amount to be contributed by the Municipality, and the means to be adopted to raise that amount.

2. In order to place this question fully before your Lordship, I enclose copies of the correspondence which took place in 1878-80 and in last year,* with a memorandum by Mr. J. F. Dickson, the Acting Colonial Secretary, and a statement of the Revenue and Expenditure of the Municipality for 1883, and an estimate for 1884. To these papers I add an extract from the debates of the Legislative Council in 1879, in which the Colonial Secretary explained that the Government borrowed the £291,000 raised under Ordinance No. 7 of 1879 for these works, in order to obtain the money at a cheaper rate than it would be obtained by the Municipality, and that the Goverment "could then complete the work and hand it over to the Municipality." All this was said to be shown by the correspondence laid before the Council in Sessional Paper XLIX. of 1879, which forms part of enclosure of this despatch.

3. The works will cost more, and take a longer time in execution than was anticipated; consequently, the annual cost will be increased, and the charges devolving on the Government for the period of construction will be heavier, both by reason of the increase in the amount payable for interest, and by reason of the postponement of the date from which the Municipal contribution will commence. Having regard to the probable completion of the works in the latter part of the present year, I propose to fix the 1st January, 1886, as the date from which the contribution payable by the Municipality shall commence.

4. In addition to the sum of £291,000 raised under Ordinance No. 7 of 1879 for the Colombo Waterworks, it will be necessary to raise a further sum of £40,000, for which I am about to seek the sanction of the Legislature. This will suffice to meet the present estimated cost of the works as set out in the accompanying report of the Resident Engineer, and the cost of distribution, amounting altogether, in round numbers, to Rs. 4,000,000. The annual cost of maintenance is estimated at Rs. 30,000. This gives as the probable charges in 1886, 1887, and 1888, Rs. 190,000 per annum, and in 1889 and subsequent years, when the contribution towards the sinking fund will be payable, Rs. 230,000 per annum.

5. To meet these charges I am of opinion that the Municipality should be held strictly liable for a contribution of Rs. 110,000 per annum in 1886, 1887, and 1888, and of Rs. 150,000 in 1889 and subsequent years, and that the sum required can best be raised in the mode suggested in Mr. Dickson's memorandum. I propose to retain the management of the Waterworks in the hands of the Government, and to defray from general revenue the annual working expenses, estimated, as already stated, at Rs. 30,000. The charge devolving on the Government will then be Rs. 80,000, in reduction of which there will be receivable the revenue derived from sale of water to the shipping, which may yield Rs. 4,000 a year,—possibly increased by other sales to Rs. 5,000,—and a payment from the Military for supply of water to the barracks of Rs. 10,000, leaving Rs. 66,000 or Rs. 65,000 as the annual payment by the Colony at large in return for the supply of water to the jails, hospitals, and other public buildings in Colombo. This is far more than an equivalent for the water-supply to these buildings, and it is the utmost which, in my opinion, it is fair to charge to the general revenues of the Colony, in addition to the charges it has borne for these works during construction, and the liabilities it has incurred for the loans.

6. In Kandy, which is a small and comparatively poor town, a rate of 11 per cent. is levied, of which 6 per cent. is for water; and I have no doubt that Colombo can, without difficulty, bear a rate of 11½ per cent. from the beginning of 1886, and an increased rate from 1889, when, as pointed out in paragraph 8 of Sir M. Hicks-Beach's despatch No. 324 of 31st December, 1878, the native population has become more habituated to direct taxation of this description.

I have, &c.,
ARTHUR GORDON.

* Enclosures, except Mr. Dickson's memorandum, not printed.

Enclosure.

MEMORANDUM by the Hon. J. F. Dickson, C.M.G., Acting Colonial Secretary, on the Colombo Waterworks.

The Municipality of Colombo has replied, after much delay and considerable pressure, to the request made by the Government on the 19th July last for a detailed estimate of the amount to be contributed in 1885 by the Council on account of the cost of the Waterworks. By letter No. 60 of 2nd September, the Municipality stated that they did not think it possible that their contribution can exceed Rs. 70,000, made up as follows:—

		Rs.
1. Surplus on Police and Lighting rates	...	10,000
2. Extra Assessment at 1½ per cent.	...	30,000
3. Sale of Water ...	.	30,000
		Rs. 70,000

By letter No. 50 of 9th September, 1884, the Municipal Council was informed that the Government could not accept Rs. 70,000 towards the cost of the Waterworks, and that the Government maintained, as the minimum claim on the Municipality, the sum of Rs. 110,000, which it was shown could be raised by the levy of rates and sale of water without further legislation; and it was further stated to the Council "that in view of the exceedingly heavy burden which the cost of supplying Colombo with water will throw "upon the general revenue, the Governor thinks it would only be fair to devise some means of raising an "additional contribution of Rs. 10,000 per annum, locally, in some manner that would not prejudice the "general revenue, to take the place of Rs. 10,000 which it was originally intended to derive from increasing "the licenses to sell arrack." After considerable delay, the Council asked for detailed information as to the cost of the works under several heads. This information was not in any way necessary to a settlement of the question at issue, and it was not possible to give it in all the detail required: the fullest possible information was given, and it was only after a peremptory demand (by letter No. 59 of 23rd October) for an answer that the Municipality sent in the reply forwarded by the Secretary's letter No. 84 of 13th November, 1884.

That report refers to the original correspondence in 1879 and 1880, relating to the arrangements under which these Waterworks were undertaken (appendix A)* and to the recent correspondence on the subject of the payment to be made by the Municipality (appendix B).*

The Municipality sets out the annual charge for the works at Rs. 188,000.† This is not correct. The sum raised is £291,000, and the interest and sinking fund on this, at 5 per cent., with some petty charges, amount to £14,590, or in rupees at 1*s.* 8*d.*, equal to Rs. 175,080; add working expenses Rs. 30,000, total Rs. 205,080. For easy comparison, the rate of conversion of the rupee, viz., 1*s.* 8*d.*, adopted by the Municipal Council, has here been followed, but it is to be noted that this is above the ruling rate of exchange, and that its adoption is against the Government by a considerable sum. It has, however, now been ascertained that the total cost of the works will be not less than Rs. 3,900,929·71, exclusive of works for distribution of water supply, estimated to bring up the total expenditure to Rs. 4,000,000. The loan of £291,000 has yielded in rupees 3,551,525·28, and the balance required in addition to the existing loan is Rs. 448,474 72. The figures required by the Municipality can now be given, and they will show this result, that the works will cost in rupees 4,000,000, 5 per cent. on which gives an annual charge of Rs. 200,000; add working expenses Rs. 30,000; total annual charge Rs. 230,000, subject to increase by fall in exchange.

But the sinking fund of 1 per cent. does not commence until November, 1888; therefore, for the next four years, the annual charge will be on Rs. 4,000,000 at 4 per cent., Rs. 160,000; working expenses Rs. 30,000; total, Rs. 190,000.

The Colony has borne the whole cost of constructing these works: it has paid from the general revenue the whole of the interest on the loan during the period of construction: it has agreed to contribute such sum as may be necessary up to Rs. 95,000, to supplement the contribution of Rs. 110,000, which has been fixed as the minimum annual payment to be made by the Municipality.

The Municipality, in its reply of 13th November, 1884, makes no satisfactory proposals to meet this demand. It in fact adheres to its statement that it cannot pay more than Rs. 70,000. It sets out the payments thus:—

				Rs.
1. Government Contribution	...	...	...	95,000
2. Rate of 1½ per cent.	...	...	...	30,000
3. Sale of Water	...	...	...	30,000
4. Surplus on rates for Lighting and Police *(problematical)*			..	10,000
5. Arrack Tavern Licenses	...	...	...	10,000

Heads 2 and 3 give only Rs. 60,000; head 4 is stated by the Municipality to be problematical, and head 5 would be merely a deduction from the general revenues of the Colony, as pointed out by the Municipality in its letter No. 60 of 2nd September, 1884, paragraph 5, and it was abandoned by Colonial Secretary's letter No. 50 of 9th September, 1884, paragraph 3, as not being a contribution from the Municipality; but it should be here noted that Major Clarke dissents from the view that the revenue to be derived from the licensing of arrack taverns is a mere transfer of account. That it is so will be seen by a brief examination of the case. The sale of arrack in a certain number of locally-specified taverns is a monopoly, for which a renter pays a certain price determined by sale at public auction. If over and above this price, which is all he pays at present, he has to pay a Municipal tax on the tavern itself—by way of a license— it is clear that the monopoly price of the taverns must be reduced by the amount of the tax on the licenses. In other words, the Government revenue from arrack is reduced by the amount which the Municipality exacts, and the amount so exacted and paid over to the Government is, in fact, a deduction from the public revenue. The estimate of Rs. 30,000 as the yield of a water-rate of 1½ per cent is probably safe.

* Not printed. † Interest and sinking fund, Rs. 158,000; working expenses, Rs. 30,000; total, Rs. 188,000.

The present rental for purposes of assessment of property in Colombo, exclusive of Civil and Military buildings, is Rs. 2,162,201, on which 1½ per cent. gives Rs. 32,433.

The amount to be realised by sale of water is difficult to estimate. It would probably not be much; a maximum estimate of Rs. 30,000 is put down, hesitatingly, by the Municipality. Sir John Douglas put it at Rs. 50,000, basing his opinion on experience in Penang. (Sessional Paper XLIX. of 1879, p. 6.) The actual cost of water, taking the daily supply at two millions of gallons, and the annual cost at Rs. 230,000, is 31½ cents per 1,000 gallons: the selling price may fairly be fixed at one rupee per 1,000 gallons, as recommended by Major Clarke in his remarks on the report of the Municipality. (Enclosure of letter of 13th November, 1884, No. 84.) This would be a fair price, which the shipping would readily pay, and there is no other trade demand to be considered in fixing the price. The charge for water delivered at the Wharf now is Rs. 3·50 per 1,000 gallons, and delivered on board ship is Rs. 20 per 1,000 gallons. The quantity taken annually is about four millions of gallons, which, at one rupee per 1,000 gallons, would give a revenue of Rs. 4,000 a year: and if good water were delivered from pipes at the jetty at this rate, its cheapness and goodness would be an inducement to shipping to take their water here, and the revenue under this head might gradually increase. Mills and factories are already supplied with water from wells, and would only purchase water from the Waterworks when the saving of engine-power rendered it profitable to do so; and very little would come in at present from that source. Hotels, public stables, cattle sheds, and cattle establishments would in Colombo yield little or nothing. Taps and pipes for watering gardens would give perhaps a little. It is difficult to estimate the source of revenue from sale of water at much over the Rs. 4,000 which the shipping will yield. If it is put down at Rs. 5,000 it is the outside estimate for two or three years at any rate.

The next item—(4)—surplus of police rate ought, under proper management, to yield something; or, to state the case more correctly, the rate of assessment (4¼ per cent.) is in excess of the sum required. At the end of the current year, the balance to credit of the Police will probably be Rs. 16,000, and at the same time there will probably be a balance on lighting account of Rs. 8,900.

It appears, therefore, that the only sources of revenue, besides some Rs. 4,000 or Rs. 5,000 from sale of water, must be sought in rates. The Police charges, including the contribution paid to Government of Rs. 60,000, and the Band subscription of Rs. 3,278, come to Rs. 71,000 or thereabouts per annum, and the Municipality is expected to pay a minimum contribution towards the Waterworks of Rs. 110,000 per annum, or Rs. 181,000 to be raised by rates for Police and Water. The value of property in Colombo, exclusive of Civil and Military buildings, as assessed for purposes of rates, is Rs. 2,162,201; a rate of 8½ per cent. would give Rs. 183,787; this would not be excessive for Police and Water, and with proper administration a rate of 3 per cent. should cover all necessary charges for lighting. This would give a total rate of 11½ per cent. for Colombo, which would not be excessive, or more than Colombo could well bear. Kandy, which is a comparatively poor place, pays 11 per cent., of which 6 per cent. is for water; and Kandy has paid the interest on its loan from the first, while the general revenue is bearing at the cost of the Colony at large the whole cost of the Colombo Waterworks during the period of construction.

The rate here proposed for water in Colombo is slightly over 5 per cent., and this in England is considered a low rate, though water there costs only 4½*d.* to 5*d.* per 1,000 gallons, as against 31½ cents, or 7½*d.*, here. If these rates are levied as above suggested, and made payable by the owners, water should be laid on to all houses the owners of which wish to have it, and unlimited supply for all domestic purposes be allowed without extra cost, the charge only of laying on the water from the boundary of the road to the houses being borne by the owners. It does not appear to be possible to raise the required funds in any way but by an assessed rate, and when it is remembered what people have to pay for water in many parts of Colombo, and what it costs even where the water is good to draw it from wells for domestic use, it will be found that a rate of even 6 per cent. would be only half the present cost of supplying water, without taking the sanitary benefits into account.

The payment of Rs. 110,000 should begin to be paid by the Municipality from 1st January, 1886, and should continue until 1st January, 1889, when, on account of the sinking fund, it should be raised to Rs. 150,000 a year. The difference in both periods should be paid by Government, but this difference far exceeds a fair payment on account of the jails and hospitals and other public buildings, Civil and Military; and the Government retaining in its own hands both the administration of the Waterworks and the collections on account of sale of water to the shipping and others, would be in a position to recover something of the excessive payments it has made and has to make for the Colombo Works by the proceeds of the sale of water and by a contribution from the Military authorities for a supply of water to the barracks.

Colombo, 1st December, 1884. JOHN F. DICKSON.

XXVI.—1885.

CEYLON.

FINANCIAL STATEMENTS

LAID BEFORE THE LEGISLATIVE COUNCIL

During the Session of 1885-86.

Colombo:
GEORGE J. A. SKEEN, GOVERNMENT PRINTER, CEYLON.

1886.

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I.—STATEMENT of the REVENUE and EXPENDITURE

REVENUE.

	Rs.	cts.	Rs.	cts.	£	s.	d.
ARREARS OF REVENUE OF FORMER YEARS.							
Land Revenue	129847	84					
Licenses	131752	88					
Rents	27523	48					
Taxes	23716	5					
			312840	25	29328	15	5½
CUSTOMS.							
Imports	2743557	11					
Plumbago	46506	82					
Warehouse Rent	4766	90					
Sundries	5439	57					
			2800270	40	262525	7	0
PORT AND HARBOUR DUES.							
Port Clearances	30041	52					
Boats and Moorings	1105	50					
Pilotage	43231	25					
Colombo Harbour Dues	375135	97					
Rent of Reclamation Grounds	3682	54					
			453196	78	42487	3	11½
LAND SALES.							
Waste Lands	—		424838	70½	39828	12	7
LAND REVENUE.							
Paddy	864332	77					
Fine Grain	37340	33					
Gardens	16429	5					
Tythes redeemed	2493	80					
Rent of Lands	15034	83					
Licenses on Plumbago	1054	24					
Cinnamon, &c.	—						
Incidental	2105	50					
			938790	2	88011	11	8½
RENTS, EXCLUSIVE OF LANDS.							
Bridges, Canals, &c.	332614	93					
Government Buildings and Houses	35467	8					
			368082	1	34507	13	9½
LICENSES.							
Arrack, Rum, and Toddy	1402199	10					
Stills	20400	0					
Wholesale Dealers in Arrack and Rum	2700	0					
Retail of Salt	28664	0					
Opium	3200	0					
Chanks	2874	73					
Royalty on Elephants	4200	0					
			1464237	83	137272	5	11½
STAMPS.							
General	710837	30					
Composition Duty	30870	47					
			741707	77	69535	2	1
TAXES	—		35082	87	3289	0	4½
POSTAL.							
Postage Stamps	225955	82					
Do. collection on Letters	15045	71	241001	53	22593	17	10½
Carried forward	—		7780048	16½	729379	10	4

FINANCIAL STATEMENTS.

of the COLONY of CEYLON for the Year 1884.

EXPENDITURE.

	Salaries. Fixed.		Salaries. Provisional.		Allowances.		Contingencies.		Total.	
	Rs.	cts.	Rs.	cts.	Rs.	cts.	Rs.	cts.	Rs.	cts.
Civil Establishments.										
His Excellency the Governor	80311	75	14618	86	—		586	42	95517	3
Secretariat	105946	89	20213	96	—		39147	16	165308	1
Treasury	80040	30	5679	99	575	0	1236	2	87531	31
Audit Office	36450	0	17587	39	—		3335	56	57372	95
PROVINCIAL AGENCIES.										
Western Province	86917	13	53174	50	—		2344	70	142436	33
North-Western Province	56479	59	19912	96	860	0	341	95	77094	50
Southern do	78425	0	24779	80	330	0	2018	58	105548	38
Eastern do.	50180	9	13577	22	—		760	39	64517	70
Northern do.	62532	87	30208	32	—		2113	72	94854	41
Central do.	92948	49	41173	5	—		3974	27	138095	81
North-Central do.	15740	70	21609	74	—		365	41	37715	85
PUBLIC WORKS DEPARTMENT	169440	51	105186	59	1140	0	3048	92	278816	2
SURVEY DEPARTMENT	66647	11	185819	92	1457	50	—		253924	53
CUSTOMS DEPARTMENT.										
Western and North-Western Provinces	56698	33	20510	24	500	0	6492	35	84200	92
Southern Province	13771	70	2246	79	—		1763	64	17782	13
Eastern do.	6388	88	1228	91	—		412	17	7979	46
Northern do.	18518	79	2748	12	—		2517	74	23784	65
HARBOUR DEPARTMENT.										
Master Attendant, Colombo	6475	2	27284	95	1900	64	204	80	35865	41
Do. Galle	5490	0	9309	99	—		651	83	15451	82
Do. Trincomalee	400	0	6092	0	—		324	6	6816	6
Do. Batticaloa	—		480	0	—		—		480	0
POSTAL AND TELEGRAPH	41921	82	155798	35	1682	83	—		199403	0
DIRECTOR, ROYAL BOTANIC GARDENS	7580	0	10415	35	—		2672	25	20667	60
DIRECTOR, COLOMBO MUSEUM	—		11379	84	—		7556	66	18936	50
AGENT, COLONIAL STEAMER	—		23383	72	4246	68	—		27630	40
Judicial Establishments.										
Supreme Court, Chief Justice	27699	96	—		—		—		27699	96
Do. Senior & Junior Puisne Justices	39600	0	—		—		—		39600	0
Registry of the Supreme Court	21139	11	898	88	—		841	12	22879	11
Attorney-General and Solicitor-General and Crown Counsels	47377	53	13569	64	—		457	86	61405	3
DISTRICT COURTS.										
Western Province.										
Colombo	21100	0	3800	0	—		165	60	25065	60
Kalutara	13410	0	2500	0	—		145	24	16055	24
Kégalla	8642	94	2828	49	—		101	13	11572	56
Negombo	9806	70	2336	70	—		75	3	12218	43
Ratnapura	9930	0	2619	56	—		117	28	12666	84
North-Western Province.										
Chilaw	8800	7	1690	22	—		60	93	10551	22
Kurunégala	13090	0	3120	46	—		71	72	16282	18
Southern Province.										
Galle	19140	0	3620	0	—		165	26	22925	26
Mátara	10214	11	2158	22	—		62	76	12430	9
Tapgalla	9040	0	1790	0	—		40	90	10870	90
Eastern Province.										
Batticaloa	10872	58	2576	45	—		168	55	13612	58
Trincomalee	3282	71	145	0	—		27	81	3455	52
Northern Province.										
Jaffna	14460	0	2570	0	—		116	57	17146	57
Mannár	1820	83	495	83	—		70	94	2387	60
Mullaittívu	800	0	70	0	—		110	70	980	70
Vavuniya-Viláṇkulam	—		791	65	—		24	25	815	90
Central Province.										
Badulla	11208	70	1452	52	—		86	20	12742	42
Kandy	20850	0	4500	0	—		142	1	24992	1
North-Central Province.										
Anurádhapura	2125	81	74	47	—		77	77	2278	5
Carried forward	1413160	2	878023	65	12192	65	84488	23	2387864	55

REVENUE—*continued.*

	Rs.	cts.	Rs.	cts.	£	s.	d.
Brought forward	—		7780048	16½	729379	10	4
FINES AND FORFEITURES.							
Supreme, District, and Police Courts	41669	96					
Government Agents	564	24					
Other Departments	1578	22					
			43812	42	4107	8	8½
GOVERNMENT VESSELS	—		54454	58	5105	2	4
SALE OF GOVERNMENT PROPERTY.							
Salt	819540	90					
Arrack and Rum	185	60					
Colonial Stores	4167	29					
Timber	227830	80					
Weights and Measures	39	19					
Unserviceable Tools, &c.	2469	83					
Produce of Botanical Gardens	2696	28					
Crops growing on Crown Lands	1443	59					
Sundries	2407	12					
			1060780	60	99448	8	7½
REIMBURSEMENTS.							
Medical Aid Fund	76994	26½					
Hospital Stoppages	13903	55½					
Government Gazette, &c.	7803	32					
School Fees	22974	89					
School Books, Stationery, &c.	8024	32					
Survey Fees	63115	97					
Irrigation Works	58185	44½					
Maintenance of Prisoners in Jails	3294	63					
Value of Tools lost	1029	92					
Value of Prison Labour	82935	18					
Refund of Civil Hospital expenses	15228	2½					
Passage Money of Immigrant Coolies	9499	0					
Collections at Cemeteries	2767	0					
Storage of Gunpowder	1314	51					
Assessment Tax	1211	67					
Cost of Police recovered from Municipalities	96601	98					
Sundries	55076	51					
			469960	19	44058	15	4
ELECTRIC TELEGRAPH	—		55676	67	5219	13	9
MISCELLANEOUS RECEIPTS.							
Payment on account of deficiency of Troops	—						
Overpayments recovered	161050	69					
Contribution to Widows' Pension Fund	539	78					
Pioneer Pension Contributions	3114	95					
Unclaimed Deposits	1384	68					
Sundries	22934	21½					
			189024	31½	17721	0	7
INTEREST.							
On Loan Board Funds	24068	8					
On Arrears of Revenue	17239	16					
Public Funds invested	121642	64					
			162949	88	15276	10	11
PEARL FISHERY.							
Proceeds of	—		33658	14	8155	9	0
SPECIAL RECEIPTS.							
Fees for Title Deeds	8826	92					
Sundries	7	89					
			8834	81	828	5	3
RAILWAY RECEIPTS	—		2543166	6	238421	16	4
Carried forward	—		12402365	78	1162721	15	9

EXPENDITURE—*continued.*

	Salaries. Fixed. Rs	cts.	Salaries. Provisional. Rs	cts.	Allowances. Rs	cts.	Contingencies. Rs	cts.	Total. Rs	cts.
Brought forward	1413160	2	878023	65	12192	65	84488	23	2387864	55
COURTS OF REQUESTS AND POLICE COURTS.										
Western Province.										
Avisawella and Pasyala	6240	0	1189	88	—		138	15	7518	3
Colombo Police Court	10425	80	2145	16	—		363	99	12934	95
Do. Court of Requests	10849	80	2059	80	—		43	25	12952	75
Kalutara	—		7229	88	—		206	50	7436	38
Panadure	6340	0	1500	0	—		84	80	7924	80
Balangoda	—		780	0	—		64	28	844	28
North-Western Province.										
Kalpitiya	6429	5	100	0	—		28	46	6557	51
Kurunegala	—		2040	0	—		41	24	2081	24
Puttalam and Marawila	2337	41	500	0	—		35	37	2872	78
Southern Province.										
Balapitimodara	6460	0	460	0	—		60	0	6980	0
Galle	9673	31	1975	5	—		190	57	11838	93
Hambantota	1020	0	—		—		4	55	1024	55
Matara	5140	0	1643	75	—		112	46	6896	21
Northern Province.										
Chavakachcheri	1620	0	370	0	—		151	93	2141	93
Jaffna	6520	0	1130	0	—		161	72	7811	72
Kayts	5561	27	1067	49	—		100	27	6729	3
Mullaittivu	—		870	0	—		170	0	1040	0
Point Pedro	5620	0	270	0	—		121	65	6011	65
Eastern Province.										
Batticaloa	—		940	0	—		—		940	0
Central Province.										
Dimbula and Dikoya	—		2105	75	—		371	59	2477	34
Galagedara	6559	95	1130	1	—		40	12	7730	8
Gambola and Pussellawa	6440	0	1280	0	—		88	13	7808	13
Haldummulla	5611	72	699	93	—		11	92	6323	62
Kandy	11000	0	1620	0	—		138	80	12758	80
Matale and Dambulla	6327	60	320	0	—		188	12	6835	72
Nawalapitiya	—		6100	0	—		46	24	6146	24
Nuwara Eliya and Maturata	1200	0	1378	91	—		127	64	2706	55
Panwila and Urugala	6673	33	100	0	—		56	94	6830	27
REGISTRATION DEPARTMENT	58304	98	13425	32	40042	75	8208	2	119981	7
FISCALS.										
Western Province	27223	0	10501	0	1110	0	1004	46	39838	16
North-Western Province	6239	99	5219	92	240	0	105	65	11805	56
Southern Province	11380	0	7490	0	—		541	0	19411	0
Eastern Province	4540	0	930	0	—		197	4	5667	4
Northern Province	10329	83	5613	9	—		382	53	16325	45
Central Province	17589	50	10625	81	—		213	46	28428	77
North-Central Province	910	0	709	25	—		99	68	1718	93
LOAN BOARD	3300	0	—		360	0	108	57	3768	57
ECCLESIASTICAL ESTABLISHMENTS	87401	11	1690	0	11796	90	—		100888	1
PUBLIC INSTRUCTION	35290	22	201862	62	—		—		237152	84
MEDICAL DEPARTMENT	84883	36	117139	53	12129	68	4794	44	218947	1
POLICE DEPARTMENT	23500	0	439428	10	1758	27	—		464686	37
PRISONS DEPARTMENT	10650	0	4290	0	—		—		14940	0
CONVICT ESTABLISHMENTS	12840	0	42561	59	—		—		55401	59
COLONIAL STORE	25946	9	5633	35	—		—		31579	44
CEYLON GOVT. RAILWAY	—		476496	4	2133	32	—		478629	36
CROWN AGENTS	—		4265	98	1333	32	—		5599	30
DIRECTORS.—Widows' & Orphans' Pension Fund.	—		847	25	—		—		847	25
Rs	1961587	39	2267708	11	83096	89	103291	77	4415634	16
£	183894	2 7½	212597	12 8½	7790	6 8	9683	12 1	413965	14 1

REVENUE—*continued.*

	Rs.	cts.	£	s.	d.
Brought forward	12402365	78	1162721	15	19
Carried forward	12402365	78	1162721	15	19

EXPENDITURE—*continued.*

Services, exclusive of Establishments.	Rs	cts.	Rs	cts.	£	s.	d.
Brought forward	—		4415684	16	413965	14	1
PENSIONS AND RETIRED ALLOWANCES.							
Paid in the Colony	206269	85					
Do. England	371724	44					
Do. India	27407	73					
			605402	2	56756	8	9
REVENUE SERVICES.							
Salt	232140	67					
Cinnamon	4517	20					
Grain	52837	1					
Arrack	719	61					
Pearl Fishery	15951	74					
Timber	137842	4					
Assessment	7062	98					
Botanic Gardens	14270	0					
Law Expenses	17798	15					
Cost of Commission on Stamps	15821	86					
Commission on collection of Hospital Bills	9	23					
Land Sales	91491	38					
Water Rates	16	43					
Licenses	1306	81					
Tolls	1468	62					
Stationery	7243	20					
			600496	43	56296	10	10
ADMINISTRATION OF JUSTICE.							
Agents of Provinces	46427	45					
Registrar, Supreme Court	27560	71					
Attorney-General and Solicitor-General	3007	23					
District and Police Courts	53118	43					
Fiscals	56125	73					
			186239	55	17459	19	2
ECCLESIASTICAL	—		8169	75	297	8	4
CHARITABLE ALLOWANCES.							
Agent, Western Province	16382	71					
North-Western Province	1909	50					
Southern do.	11908	0					
Eastern do.	4404	90					
Northern do.	8268	83					
North-Central do.	10	0					
Central do.	3684	50					
			46567	94	4365	14	9
EDUCATION	—		263356	4	24689	12	7
HOSPITALS AND SANITATION.							
Agent, Western Province	3131	90					
North-Western Province	428	11					
Southern do.	2891	25					
Eastern do.	41	60					
Northern do.	10465	80					
Central do.	3411	13					
North-Central do.	296	39					
Principal Civil Medical Officer and Inspector-General of Hospitals	397667	1					
Inspector-General of Police	3909	62					
			422182	81	39579	12	9
POLICE SERVICES.							
Inspector-General of Police	—		105904	5	9928	10	1
PRISON SERVICES.							
Agent, Western Province	39889	40					
North-Western Province	16807	3					
Southern do.	37969	94					
Eastern do.	6390	82					
Northern do.	11600	25					
Central do.	58462	89					
North-Central do.	6278	32					
Superintendent of Convict Establishments	156802	9					
Inspector-General of Prisons	5641	21					
Government of Straits Settlements	—						
Government of India	—						
			339841	95	31860	3	8
RENT.							
Agents of Provinces	240	0					
Collector of Customs	150	0					
Surveyor-General	1099	98					
Registrar-General	1302	0	2791	98	261	15	0
TRANSPORT.							
His Excellency the Governor	7918	53					
Secretariat	1189	52					
Treasury	20028	64					
Audit Office	953	8					
Agent, Western Province	8867	47					
North-Western Province	5901	9					
Southern do.	6176	42					
Eastern do.	4075	14					
Northern do.	6431	36					
Central do.	10541	39					
North-Central do.	4748	0					
Carried forward	76830	64	6991586	68	655461	5	0

REVENUE—*continued.*

	Rs.	cts.	£	s.	d.
Brought forward .	12402365	78	1162721	15	9
TOTAL . . Rs	Rs 12402365	78	£1162721	15	9

CEYLON GOVERNMENT RAILWAY.

REVENUE, 1884.—Rs. 2,543,166·05

	Rs.	cts.	£	s.	d.
Main Line	1740050	23	163129	14	2½
Náwalapitiya Line ..	286635	12	26872	0	10¼
Mátalé Line	90949	69	8526	10	8
Coast Line	282510	55	26485	7	3¼
Nánu-Oya Branch / Náwalapitiya to Talawakelé	143020	46	13408	3	4
Rs	2543166	5	238421	16	4

EXPENDITURE, 1884.—Rs. 1,360,410·55.

	Rs.	cts.	£	s.	d.
Main Line	787902	3	73865	16	4
Náwalapitiya Line ...	167669	95	15719	1	2
Mátalé Line	70267	50	6587	11	7
Coast Line	219393	91	20568	3	7
Nánu-Oya Branch / Náwalapitiya to Talawakelé ...	115177	16	10797	17	2
Rs.	1360410	55	127538	9	10

EXPENDITURE—*continued.*

Services exclusive of Establishments—*continued.*					Total.		
	Rs	cts.	Rs	cts.	£	s.	d.
Brought forward	76830	64	6991586	68	655461	5	0
TRANSPORT—*contd.*							
Survey Department	12642	73					
Customs Department	298	28					
Director, Botanic Gardens	2000	0					
Do. Colombo Museum	2228	63					
Loan Board	112	50					
Registrar-General	2000	0					
			96112	78	9010	11	6
CONVEYANCE OF MAILS	—		258985	71	24279	18	3
WORKS AND BUILDINGS.							
New Works and Buildings	1060	0					
Alterations and Additions	6160	64					
Repairs	107395	19					
			114615	83	10745	4	8
ROADS, STREETS, AND BRIDGES.							
New Roads	11849	25					
Improvements of Roads	455	98					
Maintenance of Roads	850969	21					
Toll Grants on Minor Roads	28841	83					
New Bridges	10165	71					
Repairs to Bridges	52177	29					
Maintenance of Inland Navigation	17596	15					
Irrigation Works, including Maintenance	266240	62					
Departmental Charges and Miscellaneous	127025	30					
			1365321	34	127998	17	6
MISCELLANEOUS.							
Colonial Secretary	47388	39					
Treasurer	51297	75					
Agent, Western Province	3274	51					
„ North-Western Province	1451	94					
„ Southern do.	1200	12					
„ Eastern do.	3588	57					
„ Northern do.	5639	43					
„ Central do.	13019	16					
„ North-Central do.	3398	6					
Surveyor-General	539	50					
Master Attendant	19727	90					
Botanic Gardens	2205	0					
Crown Agents	6086	94					
Government and Agents in India	207	45					
			159024	72	14908	11	4
INTEREST.							
On Dutch Kredit Brieven	743	46					
On Breakwater Loan	381114	46					
On Waterworks Loan	142700	17					
			524558	9	49177	6	5
COLONIAL STORE	—		34782	11	3260	17	0
CONTRIBUTION TOWARDS MILITARY EXPENDITURE.							
Regular Troops	999999	96					
Volunteer Corps	35844	25					
			1035844	21	97110	7	10
GOVERNMENT VESSELS	—		60724	60	5692	18	7
REFUND OF DUTIES, DRAWBACKS, &c.	—		49391	63	1630	9	4
LANDS TAKEN FOR GOVERNMENT PURPOSES	—		2514	25	235	14	3
IMMIGRATION	—		75449	60	7073	8	0
RAILWAY SERVICES.							
Interest, Matale Railway	134901	61					
„ Nanu-oya Railway	490451	2					
„ Main Line	654	13					
Maintenance and Working Expenses	881781	19					
			1507787	95	141355	2	5
EXCHANGE	—		41518	40	3892	7	0
	TOTAL . Rs		12318218	20	1154832	19	1
Excess of Revenue over Expenditure			84147	58	7888	16	8
			12402365	78	1162721	15	9

EXPENDITURE on Drafts from Balances.

	Rs.	cts.	Rs.	cts.	£	s.	d.
Works and Buildings.							
New works	—		3,336	14			
Roads, Streets, and Bridges.							
New Roads	4,965	45					
Maintenance of Roads ...	3,510	11					
Repairs to Bridges	7,880	20					
Irrigation Works	14,920	88					
			31,276	64			
Rs. ...	—		34,612	78	3,244	18	11½

EXPENDITURE under Surplus Funds Ordinance No. 13 of 1879.

Railway Service ... ... Rs. 3,159 85

II.—COMPARATIVE STATEMENT OF THE REVENUE OF THE COLONY FOR THE YEARS 1883 AND 1884.

	Revenue of 1883.		Revenue of 1884.		Increase.		Decrease.	
	Rs	cts.	Rs	cts.	Rs	cts.	Rs	cts.
1.—ARREARS OF REVENUE of former years	410324	74	312840	25	—		97484	49
2.—CUSTOMS.								
Imports, &c.	2689370	79	2753763	58	64392	79	—	
Royalty on Plumbago	65326	64	46506	82	—		18819	82
3.—PORT AND HARBOUR DUES.								
Port Clearances	26049	39	30041	52	3992	13	—	
Boats and Moorings	2207	25	1105	50	—		1101	75
Pilotage	43712	0	43231	25	—		480	75
Colombo Harbour Dues and Rent of Grounds	384079	18	378818	51	—		5260	67
4.—LAND SALES.								
Waste Lands	264885	42	424838	70½	159953	28½	—	
Cinnamon Gardens	—		—		—		—	
5.—LAND REVENUE.								
Paddy	871739	34½	864332	77	—		7406	57½
Fine Grain	51444	31	37340	33	—		14103	98
Gardens	7634	87	16429	5	8794	18	—	
Tythes redeemed	2367	88	2493	80	125	92	—	
Rent of Lands	11901	70	15034	33	3132	63	—	
Royalty on Cabook	—		—		—		—	
Licenses on Plumbago	4735	70	1054	24	—		3681	46
Cinnamon	7	50	—		—		7	50
Sundries	1010	12	2105	50	1095	38	—	
6.—RENTS, EXCLUSIVE OF LANDS.								
Bridges, Canals, &c.	305632	11	332614	93	26982	82	—	
Government Buildings and Houses	34710	80	35467	8	756	28	—	
7.—LICENSES.								
Arrack, Rum, and Toddy	1455187	14	1402199	10	—		52988	4
Stills	20900	0	20400	0	—		500	0
Wholesale dealers	6250	0	2700	0	—		3550	0
Retail of Salt	44000	0	28664	0	—		15336	0
Opium	2600	0	3200	0	600	0	—	
Chanks	3172	82	2874	73	—		298	9
Royalty on Elephants	6490	0	4200	0	—		2290	0
8.—STAMPS.								
General	692555	11½	710837	30	18282	18½	—	
Composition Duty	49470	10	30870	47	—		18599	63
9.—TAXES.								
Assessment on Houses	35676	46	35082	87	—		593	59
10.—POSTAL.								
Postage Stamps	223920	25½	225955	82	2035	56½	—	
Do. Collections on Letters, &c.	20659	32	15045	71	—		5613	61
11.—FINES AND FORFEITURES.								
Supreme, District, and Police Courts	42697	85	41669	96	—		1027	89
Government Agents	951	2	564	24	—		386	78
Other Departments	1970	84	1578	22	—		392	62
12.—GOVERNMENT VESSELS	59485	31	54454	58	—		5030	73
Carried over	7843125	97½	7878315	16½	290143	16½	254953	97½

	Revenue of 1883.		Revenue of 1884.		Increase.		Decrease.	
	Rs	cts.	Rs	cts.	Rs	cts.	Rs	cts.
Brought forward -	7843125	97½	7878315	16½	290148	16½	254953	97½
13.—SALE OF GOVERNMENT PROPERTY.								
Salt - - -	816010	44	819540	90	3530	46	—	
Arrack and Rum - -	150	40	185	60	35	20	—	
Colonial Store - -	3162	77	4167	29	1004	52	—	
Timber - - -	203558	30	227830	80	24272	50	—	
Weights and Measures - -	31	80	39	19	7	39	—	
Unserviceable Tools - -	3117	63	2469	83	—		647	80
Produce of Botanic Gardens -	3970	35	2696	28	—		1274	7
Crops growing on Crown Lands -	1474	50	1443	59	—		30	91
Sale of Delft Horses - -	—		—		—		—	
Incidental - - -	1327	12	2407	12	1080	0	—	
14.—REIMBURSEMENTS.								
Medical Aid Fund - -	8063	12	76994	26½	68931	14½	—	
Hospital Stoppages - -	11418	82	13903	55½	2484	73½	—	
Government Gazette - -	9460	16	7803	32	—		1656	84
School Fees, Books, Stationery, &c. -	29220	76	30999	21	1778	45	—	
Irrigation Works - -	33818	68	58185	44½	24366	76½	—	
Survey Fees - -	55753	55½	63115	97	7362	41½	—	
Maintenance of Prisoners -	3727	14½	3294	63	—		432	51½
Value of Tools lost - -	1300	45	1029	92	—		270	53
Value of Prison Labour - -	23056	4	32935	18	9879	14	—	
Refund of Civil Hospital expenses -	9040	25	15228	2½	6187	77½	—	
Passage Money of Immigrant Coolies -	8730	0	9499	0	769	0	—	
Collections at Cemeteries -	3263	25	2767	0	—		496	25
Storage of Gunpowder - -	1436	0	1314	51	—		121	49
Assessment Tax - -	626	0	1211	67	585	67	—	
Cost of Police within Municipalities -	138478	5	96601	98	—		41876	7
Incidental - - -	42554	49	55076	51	12522	2	—	
15.—MISCELLANEOUS RECEIPTS.								
Deficiency of Troops - -	70458	33	—		—		70458	33
Overpayments recovered - -	153810	1	161050	69	7240	68	—	
Contribution to Widows' Pension Fund	544	50	539	78	—		4	72
Pioneer Pension Contribution -	4474	34	3114	95	—		1359	39
Unclaimed Deposits - -	8708	19	1384	68	—		7323	51
Incidental - - -	155432	87½	22934	21½	—		132498	66
16.—INTEREST.								
On Loan Board Funds - -	24619	48	24068	3	—		551	45
On Arrears of Revenue - -	18970	2	17239	16	—		1730	86
On Investments - -	184029	72	121642	64	—		62387	8
17.—PEARL FISHERY - -	440	28	33658	14	33217	86	—	
18.—SPECIAL RECEIPTS.								
Fees for Title Deeds - -	6456	58	8826	92	2370	34	—	
Incidental - -	12	76	7	89	—		4	87
19.—RAILWAY RECEIPTS -	2473508	32	2543166	6	69657	74	—	
20.—TELEGRAPH RECEIPTS -	39236	41	55676	67	16440	26	—	
Rs	12396577	87	12402365	78	583867	23	578079	32
£	1162179	3 6	1162721	15 9			—	
			Deduct Decrease Rs		578079	32		
			Nett Increase ... Rs		5787	91		

[*continued over*]

REMARKS.

1.—ARREARS OF REVENUE. A more punctual collection of the revenue of late has diminished the amount of arrears to be collected; hence the decrease under this head.

2.—CUSTOMS. The revenue collected as export duty on Plumbago—the royalty on this mineral being collected as an export duty—has largely suffered owing to a serious reduction in the quantity exported in 1884. This loss is however more than made up by an increase in the collections on imported articles. Large clearings of bonded spirits were made in December last, in order to avoid payment of higher duties leviable under the new Ordinance No. 39 of 1884, which contributed to swell the receipts under this head.

3.—PORT AND HARBOUR DUES. There has been a falling off in Port Dues levied at Colombo, and in hire of Boats and Moorings and Pilotage collected at out-ports; but this loss is partly made up by an increase in the revenue from Port Clearances recovered at out-ports.

4.—LAND SALES. Larger sales of Crown lands than in the preceding year, chiefly in the Western and North-Western Provinces, helped to swell the receipts under this head.

5.—LAND REVENUE. Failure of crop caused by long continued drought in the Northern and North-Central Provinces caused a decrease in the revenue from "Paddy and Dry Grain." There is also a decrease under "Plumbago" owing to slackness in the plumbago trade, as noted under the head of Customs. The increase under "Gardens" is chiefly due to the cinnamon gardens, Colombo, having been worked by Government, and that under "Rents of Lands" to licenses having been issued to cultivate unassessed lands, chiefly in the Southern Province.

6.—RENTS, EXCLUSIVE OF LAND. More punctual payments of the rents accounts for the increase of revenue under this head as compared with last year.

7.—LICENSES. With the exception of "Opium," there is a decrease under every sub-head. The decrease under "Arrack," &c., is due to the lower prices at which the rents were sold, as compared with the previous year; and the decrease under "Stills" (which shows that the number of stills at work was fewer by five than in 1883) and "Wholesale Dealers" seems to show plainly that the diminished revenue is caused by a diminution in the consumption of arrack, which is fairly accounted for by the present depressed state of affairs.

8.—STAMPS. There has been an improvement in the amount realized by stamps, but the receipt on account of composition duty has fallen off to a somewhat larger extent. This is due to the failure of the Oriental Bank Corporation.

9.—TAXES. There is a small decrease, probably attributable to the scarcity of money owing to the failure of the Oriental Bank Corporation.

10.—POSTAL. There has been, on the whole, a decrease under this head.

11.—FINES AND FORFEITURES. The decrease under this head is so small that comment is unnecessary.

12.—GOVERNMENT VESSELS. The Colonial Steamer was for a short time laid up for repairs, hence the diminution in the receipts under this head.

13.—SALE OF GOVERNMENT PROPERTY. The only item which appears to deserve special notice is the large increase on account of "Timber." It is due to the larger supply of firewood sold to the Railway Department, and also to larger sales of timber in the Eastern Province.

14.—REIMBURSEMENTS. The apparent increase under "Medical Aid Fund" is due to the sums recovered in 1883 under the provisions of Ordinance No. 9 of 1882 having been placed in deposit, instead of being credited to revenue at once as is now done. The amount shown as receipts in 1883 is the transfer made from deposit of a sum in excess of the moiety paid by Government for the purpose of adjusting the accounts. The actual amount received in 1883 was Rs. 30,021·23; out of this a sum of Rs. 3,125·62, the unexpended balance of the sums in deposit, was brought to credit of revenue in 1884, so that the actual receipt for 1884 was Rs. 76,994·26½ — Rs. 3,125·62 = Rs 73,868·64½. The actual increase under this head is therefore Rs. 73,868·64½—Rs. 30,021·23=Rs. 43,847·31½. This increase is chiefly due to the increased duty levied under Proclamation of 12th January, 1884; also to larger exportation of products liable to duty under the Ordinance, and to a larger number of coolies having availed themselves of the privileges provided by the Ordinance than heretofore. There has also been an increase under "Irrigation Works," due to systematic and prompt collection of water-rates, and under "Survey Fees" to the larger extent of lands sold. The decrease in amount recovered on account of "Cost of Police within the Municipality" is only apparent, as the receipt of the preceding year includes arrears due for 1882 The other items, both of increase and decrease, are casual and fluctuating.

15.—MISCELLANEOUS RECEIPTS. Under this head was included in 1883 the rebate made on account of deficiency of troops and the overplus from Railway Sinking Fund after payment of Railway debt No such receipts have been credited in 1884, hence the large reduction under the first and last items of this head. The other items are casual and fluctuating.

16.—INTEREST. The decrease of receipts on account of interest on investments is owing to the fact that the greater part of the advances made from the Cash Balances of the Colony for construction of the Breakwater were repaid during the year, and that consequently the investments were reduced in amount.

17.—PEARL FISHERY. There was a small fishery on the banks off Chilaw in 1884, hence an increase of revenue under this head.

18.—RAILWAY RECEIPTS. The increase under this head is partly due to the opening of the extension from Náwalapitiya, and partly, it is satisfactory to note, to an increase in the quantity of produce carried during the year.

19.—TELEGRAPH RECEIPTS. This apparent increase is due to the receipts for four quarters having been credited to revenue in 1884, whereas in 1883 the receipts for only three quarters were brought to account.

Audit Office,
Colombo, 13th May, 1885.

W. H. RAVENSCROFT,
Auditor-General and Controller of Revenue.

III.—COMPARATIVE STATEMENT OF THE EXPENDITURE OF THE COLONY OF CEYLON FOR THE YEARS 1883 AND 1884.

		Expenditure of 1883.		Expenditure of 1884.		Increase.		Decrease.	
	ESTABLISHMENTS, INCLUDING FIXED AND PROVISIONAL SALARIES, ALLOWANCES, AND OFFICE CONTINGENCIES.								
	CIVIL ESTABLISHMENTS.	Rs	cts.	Rs	cts.	Rs	cts.	Rs	cts.
1	His Excellency the Governor -	81250	72	95517	3	14266	31	—	
2	Secretariat - -	179962	22	165308	1	—		14654	21
3	Treasury - -	35256	8	37531	31	2275	23	—	
4	Audit Office - -	57669	41	57372	95	—		296	46
	PROVINCIAL AGENCIES.								
5	Western Province - -	141836	12	142436	33	600	21	—	
6	North-Western Province - -	77398	37	77094	50	—		303	87
7	Southern do. - -	104585	48	105548	38	962	90	—	
8	Eastern do. - -	64312	36	64517	70	205	34	—	
9	Northern do. - -	94954	48	94854	41	—		100	7
10	Central do. - -	136104	0	138095	81	1991	81	—	
11	North-Central do. - -	36104	66	37715	85	1611	19	—	
12	Public Works Department -	280121	36	278816	2	—		1305	34
13	Survey Department - -	251380	0	253924	53	2544	53	—	
14	Customs Department - -	135209	24	133747	16	—		1462	8
15	Harbour Department - -	52703	42	58613	29	5909	87	—	
16	Postal and Telegraph Department -	193586	4	199403	0	5816	96	—	
17	Royal Botanic Gardens -	22735	62	20667	60	—		2068	2
18	Colombo Museum -	20375	34	18936	50	—		1438	84
19	Agent, Colonial Steamer "Serendib" -	27265	38	27630	40	365	2	—	
	JUDICIAL ESTABLISHMENTS.								
20	Supreme Court Judges - -	74126	6	67299	96	—		6826	10
21	Registry of the Supreme Court -	22427	21	22379	11	—		48	10
22	Attorney-General and Solicitor-General	64177	18	61405	3	—		2772	15
	DISTRICT COURTS, POLICE COURTS, AND COURTS OF REQUESTS.								
23	Western Province - -	127631	10	127189	96	—		441	14
24	North-Western Province - -	38703	4	38344	93	—		358	11
25	Southern do. - -	73678	64	72965	94	—		712	70
26	Eastern do. - -	17809	41	18008	10	198	69	—	
27	Northern do. - -	46042	31	45065	10	—		977	21
28	Central do. - -	97902	47	97351	18	—		551	29
29	North-Central do. - -	2623	42	2278	5	—		345	37
30	Registration Department - -	125405	29	119981	7	—		5424	22
	FISCALS.								
31	Western Province - -	39824	56	39838	46	13	90	—	
32	North-Western Province - -	11714	5	11805	56	91	51	—	
33	Southern do. - -	19305	35	19411	0	105	65	—	
34	Eastern do. - -	5562	68	5667	4	104	36	—	
35	Northern do. - -	16115	73	16325	45	209	72	—	
36	Central do. - -	29366	56	28428	77	—		937	79
37	North-Central do. - -	1728	64	1718	93	—		9	71
38	Loan Board - - -	5830	0	3768	57	—		2061	43
39	Ecclesiastical Establishments -	100917	77	100888	1	—		29	76
40	Public Instruction - -	235356	38	237152	84	1796	46	—	
41	Medical Department - -	212622	29	218947	1	6324	72	—	
42	Police Department - -	482973	47	464686	37	—		18287	10
43	Prisons Department - -	14900	0	14940	0	40	0	—	
44	Convict Establishment - -	55214	98	55401	59	186	61	—	
45	Colonial Store - -	31207	25	31579	44	372	19	—	
46	Ceylon Government Railway -	493693	17	478629	36	—		15063	81
47	Crown Agents, London - -	5599	30	5599	30	—		—	
48	Directors, Widows' and Orphans' Pension Fund -	—		847	25	847	25	—	
	Rs	4445268	61	4415634	16	46840	43	76474	88
	£	416743	18 7½	413965	14 1	4391	5 10½	7169	10 5

[continued over]

		Expenditure of 1883.		Expenditure of 1884.		Increase.		Decrease.	
	SERVICES, EXCLUSIVE OF ESTABLISHMENTS.	Rs	cts.	Rs	cts.	Rs	cts.	Rs	cts.
49	Pensions and Retired Allowances -	559705	86	603402	2	45696	16	—	
50	Revenue Services - -	457450	69	600496	43	143045	74	—	
51	Administration of Justice - -	197447	77	186239	55	—		11208	22
52	Ecclesiastical - -	3146	5	3169	75	23	70	—	
53	Charitable Allowances - -	46579	18	46557	94	—		11	24
54	Education - -	255875	28	263356	4	7480	76	—	
55	Hospitals and Sanitation - -	412022	95	422182	81	10159	86	—	
56	Police Services - -	119162	45	105904	5	—		13258	40
57	Prison Services - -	332174	85½	339841	95	7667	9½	—	
58	Rent - -	2821	98	2791	98	—		30	0
59	Transport - -	95148	99½	96112	78	963	78½	—	
60	Conveyance of Mails and Postal Telegraph Services - -	265343	86	258985	71	—		6358	15
61	Works and Buildings - -	97414	86	114615	83	17200	97	—	
62	Roads, Streets and Bridges -	1363105	48	1365321	34	2215	86	—	
63	Miscellaneous Services - -	163448	67½	159024	72	—		4423	95½
64	Interest - - -	369194	10	524558	9	155363	99	—	
	Redemption of Kredit Brieven -	—		—		—		—	
65	Colonial Store - -	34721	5	34782	41	61	36	—	
66	Contribution towards Military Expenditure - - -	1269073	10	1035844	21	—		233228	89
67	Government Vessels - -	36594	29	60724	60	24130	31	—	
68	Refund of Duties, Drawbacks, &c. -	49752	19	49391	63	—		360	56
69	Lands taken for Government purposes -	3320	44	2514	25	—		806	19
70	Immigration - - -	80180	95	75449	60	—		4731	35
71	Railway Services - -	1488653	66	1507787	95	19134	29	—	
72	Electric Telegraph - -	26161	91	—		—		26161	91
73	Exchange - -	48465	1	41518	40	—		6946	61
	Rs	7776965	63½	7902584	4	433143	88	307525	47½
	£	729090 10	7	740867 5	1	40607 4	9	28830 10	3
	RECAPITULATION.								
	Establishments - -	4445268	61	4415634	16	46840	43	76474	88
	Services, exclusive of Establishments -	7776965	63½	7902584	4	433143	88	307525	47½
	Rs	12222234	24½	12318218	20	479984	31	384000	35½
	TOTAL—£	1145834 9	2	1154832 19	1	44998 10	7	36000 0	8

Audit Office,
Colombo, 18th May, 1884.

W. H. RAVENSCROFT,
Auditor-General and Controller of Revenue.

EXPLANATORY STATEMENT OF THE FOREGOING.

CIVIL ESTABLISHMENTS.	Rs	cts.	Rs	cts.	Rs	cts.
1.—HIS EXCELLENCY THE GOVERNOR.						
Increase in Fixed Salaries - - - -					12566	17
Do. Provisional Salaries - - - -					1593	48
Do. Office Contingencies - - - -					106	66
Gross Increase -						14266 31
2.—SECRETARIAT.						
Decrease in Fixed Salaries - - -	18529	48				
Do. Provisional Salaries - - -	780	41				
					19309	89
Increase in Office Contingencies - - - -					4655	68
Nett Decrease -						14654 21
3.—TREASURY.						
Increase in Provisional Salaries - - -	2249	99				
Do. Office Contingencies - - -	214	18				
					2464	17
Decrease in Fixed Salaries - - -	9	70				
Do. Allowances - - -	179	24				
					188	94
Nett Increase -						2275 23
4.—AUDIT OFFICE.						
Decrease in Provisional Salaries - - - -					25	61
Do. Office Contingencies - - - -					270	85
Gross Decrease -						296 46

	Rs.	cts.	Rs.	cts.	Rs.	cts.
Provincial Agencies :—						
5.—*Western Province.*						
Increase in Fixed Salaries - - -	842	77				
Do. Office Contingencies - - -	243	15				
			1085	92		
Decrease in Provisional Salaries - - -	395	71				
Allowances - - - -	90	0				
			485	71		
Nett Increase -					600	21
6.—*North-Western Province.*						
Decrease in Fixed Salaries - - - -			24	29		
Do. Provisional Salaries - - - -			114	74		
Do. Office Contingencies - - - -			164	84		
Gross Decrease -					303	87
7.—*Southern Province.*						
Increase in Fixed Salaries - - -	2102	21				
Do. Office Contingencies - - -	273	69				
			2375	90		
Decrease in Provisional Salaries - - - -			1413	0		
Nett Increase -					962	90
8.—*Eastern Province.*						
Increase in Fixed Salaries - - -	80	40				
Do. Provisional Salaries - - -	167	32				
			247	72		
Decrease in Office Contingencies - - - -			42	38		
Nett Increase -					205	34
9.—*Northern Province.*						
Decrease in Fixed Salaries - - - -			1227	87		
Increase in Provisional Salaries - - -	780	79				
Do. Office Contingencies - - -	347	1				
			1127	80		
Nett Decrease -					100	7
10.—*Central Province.*						
Increase in Provisional Salaries - - -	778	73				
Do. Office Contingencies - - -	1304	22				
			2082	95		
Decrease in Fixed Salaries - - -			91	14		
Nett Increase -					1991	81
11.—*North-Central Province.*						
Increase in Provisional Salaries - - - -			1716	84		
Decrease in Fixed Salaries - - -	79	29				
Do. Office Contingencies - - -	26	36				
			105	65		
Nett Increase -					1611	19
12.—Public Works Department.						
Decrease in Fixed Salaries - - - -			5661	49		
Increase in Provisional Salaries - - -	4241	48				
Do. Office Contingencies - - -	114	67				
			4356	15		
Nett Decrease -					1305	34
13.—Survey Department.						
Increase in Fixed Salaries - - -	3470	17				
Do. Contingencies - - -	1	25				
			3471	42		
Decrease in Provisional Salaries - - - -			926	89		
Nett Increase -					2544	53
14.—Customs Department.						
Decrease in Provisional Salaries - - - -			7841	97		
Increase in Fixed Salaries - - -	5896	6				
Do. Office Contingencies - - -	487	73				
			6383	79		
Nett Decrease -					1462	8
15.—Harbour Department.						
Increase in Fixed Salaries - - -	0	6				
Do. Provisional Salaries - - -	5263	32				
Do. Allowance - - -	180	97				
Do. Office Contingencies - - -	465	52				
Gross Increase -					5909	87
16.—Postal and Telegraph Department.						
Increase in Provisional Salaries - - -	5860	57				
Do. Allowances - - -	72	83				
			7933	40		
Decrease in Fixed Salaries - - - -			106	44		
Nett Increase -					5816	96
17.—Royal Botanic Gardens.						
Decrease in Office Contingencies - - - -			2277	75		
Increase in Provisional Salaries - - -			209	73		
Nett Decrease -					2068	2
18.—Colombo Museum.						
Decrease in Office Contingencies - - - -			--		1488	84

	Rs	cts.	Rs	cts.	Rs	cts.
19.—Colonial Steamer "Serendib."						
Increase in Provisional Salaries - - -		-	445	16		
Decrease in Allowances - - -		-	80	14		
Nett Increase -					365	2
JUDICIAL ESTABLISHMENTS.						
20.—Supreme Court.						
Decrease in Fixed Salaries - - -		-	—		6826	10
21.—Registrar, Supreme Court.						
Decrease in Fixed Salaries - - -		-	8	89		
Do. Provisional Salaries - - -		-	1	12		
Do. Office Contingencies - - -		-	38	9		
Gross Decrease -					48	10
22.—Attorney-General and Solicitor-General.						
Decrease in Fixed Salaries - - -	2419	68				
Do. Provisional Salaries - - -	473	64				
			2893	32		
Increase in Office Contingencies - - -		-	121	14		
Nett Decrease -					2772	15
District Courts, Police Courts, and Courts of Requests.						
23.—*Western Province.*						
Decrease in Fixed Salaries - - -	342	25				
Do. Provisional Salaries - - -	290	13				
			632	38		
Increase in Office Contingencies - - -		-	191	24		
Nett Decrease -					441	14
24.—*North-Western Province.*						
Decrease in Fixed Salaries - - -		-	97	71		
Do. Provisional Salaries - - -		-	189	32		
Do. Office Contingencies - - -		-	71	8		
Gross Decrease -					358	11
25.—*Southern Province.*						
Decrease in Fixed Salaries - - -		-	246	51		
Do. Provisional Salaries - - -		-	103	64		
Do. Office Contingencies - - -		-	362	55		
Gross Decrease -					712	70
26.—*Eastern Province.*						
Increase in Fixed Salaries - - -		-	100	32		
Do. Provisional Salaries - - -		-	49	1		
Do. Office Contingencies - - -		-	49	36		
Gross Increase -					198	69
27.—*Northern Province.*						
Decrease in Fixed Salaries - - -	618	78				
Do. Provisional Salaries - - -	548	91				
			1167	69		
Increase in Office Contingencies - - -		-	190	48		
Nett Decrease -					977	21
28.—*Central Province.*						
Decrease in Provisional Salaries - - -		-	1129	31		
Increase in Fixed Salaries - - -	424	8				
Do. Office Contingencies - - -	153	94				
			578	2		
Nett Decrease -					551	29
29.—*North-Central Province.*						
Decrease in Fixed Salaries - - -	304	87				
Do. Provisional Salaries - - -	69	27				
			374	14		
Increase in Office Contingencies - - -		-	28	77		
Nett Decrease -					345	37
30.—Registration Department.						
Decrease in Fixed Salaries - - -	7513	22				
Do. Provisional Salaries - - -	1582	32				
Do. Office Contingencies - - -	1469	68				
			10565	22		
Increase in Allowances - - -		-	5141	0		
Nett Decrease -					5424	22
Fiscals.						
31.—*Western Province.*						
Increase in Fixed Salaries - - -		-	2	0		
Do. Provisional Salaries - - -		-	7	0		
Do. Office Contingencies - - -		-	4	90		
Gross Increase -					13	90
32.—*North-Western Province.*						
Increase in Fixed Salaries - - -		-	23	69		
Do. Provisional Salaries - - -		-	10	44		
Do. Office Contingencies - - -		-	57	38		
Gross Increase -					91	51
33.—*Southern Province.*						
Increase in Office Contingencies - - -		-	—		105	65

	Rs	cts.	Rs	cts.	Rs	cts.
34.—*Eastern Province.*						
Increase in Office Contingencies			—		104	36
35.—*Northern Province.*						
Increase in Provisional Salaries	213	9				
Do. Office Contingencies	46	80				
			259	89		
Decrease in Fixed Salaries			50	17		
Nett Increase					209	72
36.—*Central Province.*						
Decrease in Fixed Salaries			342	30		
Do. Provisional Salaries			573	55		
Do. Office Contingencies			21	94		
Gross Decrease					937	79
37.—*North-Central Province.*						
Decrease in Provisional Salaries			0	75		
Do. Office Contingencies			8	96		
Gross Decrease					9	71
38.—Loan Board.						
Decrease in Fixed Salaries			2000	0		
Do. Office Contingencies			61	48		
Gross Decrease					2061	48
39.—Ecclesiastical.						
Decrease in Fixed Salaries			476	66		
Increase in Allowances			446	90		
Nett Decrease					29	76
40.—Public Instruction.						
Increase in Fixed Salaries			864	92		
Increase in Provisional Salaries			931	54		
Gross Increase					1796	46
41.—Medical Department.						
Increase in Fixed Salaries	1502	90				
Do. Provisional Salaries	6718	90				
Do. Office Contingencies	746	85				
			8968	65		
Decrease in Allowances			2643	93		
Nett Increase					6324	72
42.—Police Department.						
Decrease in Fixed Salaries			1940	40		
Do. Provisional Salaries			15876	0		
Do. Allowances			470	70		
Gross Decrease					18287	10
43.—Prisons Department.						
Increase in Provisional Salaries			—		40	0
44.—Convict Establishment.						
Increase in Provisional Salaries			241	61		
Decrease in Fixed Salaries			55	0		
Nett Increase					186	61
45.—Colonial Store.						
Increase in Fixed Salaries			251	10		
Do. Provisional Salaries			121	9		
Gross Increase					372	19
46.—Ceylon Government Railway.						
Decrease in Provisional Salaries			—		15063	81
48.—Director, Widows' and Orphans' Pension Fund.						
Increase in Provisional Salaries			—		847	25

49.—Pensions.—Additions to Pension List and the low price of Silver, as compared with the rates of the preceding year, were the cause of the increase on this head.

50.—Revenue Services.—The increase is chiefly due to the manufacture of a larger quantity of salt, and to the large demand for fuel for the Railway, and also to a heavy expenditure in England on account of "Law Expenses."

51.—Administration of Justice.—The expenditure in connection with the Criminal Sessions of the Supreme Court, including Fiscals' processes, was not so great as in the preceding year, hence the decrease. Part of the decrease has however been absorbed by greater expenditure in connection with District and Minor Courts.

52.—Ecclesiastical.—The small increase under this head does not call for any observation.

53.—Charitable Allowances.—A decrease of Rs. 11·24 only.

54.—Education.—Increase of Grants to Aided Schools helped to raise the expenditure under this head.

55.—Hospitals and Sanitation.—The increase under this head is due partly to the prevalence of small-pox and fever in the Western and Northern Provinces, and partly to an increase in amount brought to account as cost of working the Medical Aid Ordinance.

56.—Police Services.—The decrease is chiefly due to the smaller expenditure incurred in 1884 on account of uniforms, travelling expenses, and victualling prisoners detained in Police Lock-ups.

57.—Prison Services.—The increase under this head is apparently caused by an increase in the number of prisoners under confinement in the several Jails in the Island.

58.—Rent.—The reduction in the expenditure under this head is very small, and needs no comment.

59.—Transport.—The increase under this head is chiefly due to the larger expenditure incurred than in the preceding year on account of travelling charges of His Excellency the Governor and Suite.

60.—Conveyance of Mails and Postal-Telegraph Service.—The decrease in the expenditure under this head is chiefly owing to the arrears due on account of loss on sea conveyance of mails from 1880 to 1883 having been paid in the preceding year, no similar payment having been necessary in 1884. Also to the fact that the amount payable on account of loss of mails was reduced in 1884 from Rs. 30,000 to Rs. 16,800.

61.—Works and Buildings.—The provision of new treasuries at the Kachcheries of Jaffna, Nuwara Eliya, and Badulla, in consequence of the failure of the Oriental Bank Corporation, the unavoidable repairs to the Queen's House, Colombo, and the fitting up of the New Lunatic Asylum for the occupation of female lunatics, account for the increase under this head.

62.—Roads, Streets, and Bridges.—The increase is not so great as to call for any comment, considering the large amount voted for expenditure under this head.

63.—Miscellaneous Services.—The decrease in expenditure under this head is chiefly due to the non-recurrence of expenditure on account of Indian Forester's pay and allowances and other similar extraordinary charges.

64.—Interest.—The additional sums paid on account of interest on the Loans raised for the Colombo Waterworks and Harbour Works in 1883 caused the increased expenditure under this head.

65.—Colonial Store.—The small increase does not call for any comment.

66.—Contribution towards Military Expenditure.—A reduction in the amount of contribution to the Imperial Military Chest caused the diminution of expenditure under this head.

67.—Government Vessels.—The increase under this head is partly due to cost of repairs to the Colonial Steamer "Serendib," and partly to a larger quantity of coal having been paid for than in the preceding year.

68.—Refund of Duties, Drawbacks, etc.—This is a fluctuating expenditure, and requires no comment.

69.—Lands taken for Government Purposes.— Do.

70.—Immigration.—The falling off in the number of immigrants from Southern India is the cause of this decrease.

71.—Railway Services.—The increase is consequent on the opening of the new line between Nawalapitiya and Talawakele.

72.—Electric Telegraph.—The expenditure under this head is shown under the head Conveyance of Mails and Postal and Telegraph Services, hence no expenditure is shown under Electric Telegraph for 1884.

73.—Exchange.—The bills drawn on the Crown Agents in 1884 were for a less amount than those drawn in the preceding year, hence the decrease.

Audit Office,
Colombo, 13th May, 1885.

W. H. RAVENSCROFT,
Auditor-General and Controller of Revenue.

IV.—STATEMENT showing the ASSETS and LIABILITIES of the Government of Ceylon on the 31st December, 1884.

ASSETS.			Rs	cts.	Rs	cts.	£	s.	d.
Cash in the hands of the Crown Agents			321297	0					
Cash in the General Treasury and District Chests			2256816	50					
Invested in England on Colonial Security £43,600 at 1*s.* $7\frac{3}{16}$*d.*			545855	6					
Advance to Crown Agents to be recovered			430769	21					
Advance to Contractors, Nánu-oya Railway			84482	0					
Recoverable payments by the Crown Agents			13998	85					
Due by the Agents at Madras			8	92					
Do. Straits Government			5	18					
Do. Municipal Council, Kandy, on account of principal			249375	0					
Do. Mauritius Government			78	62					
Recoverable advances on account of General Store			654219	54					
Do. do. Board of Trade			11249	97					
Do. do. Egyptian Exiles			3933	19					
Do. do. Ceylon Volunteers			12600	0					
Do. do. Industrial School, Kandy			9900	0					
Do. do. Harbour Works			313389	79					
Do. do. Seed Paddy			7831	91					
Other recoverable advances			363056	98					
Recoverable arrears of revenue			578000	0					
Surcharges outstanding			100000	0					
Total Assets			—		5956867	72	558409	9	6
LIABILITIES.									
Deposits—General	4094855	37							
Lapsed Loan Board	103985	64							
			4108841	1					
Drafts and Remittances			252150	8					
Due to Government of India			229747	66					
Do. Agents, Calcutta			36	82					
Do. Agents, Bombay			115	53					
Family Remittances outstanding			34598	66					
Sums payable by the Crown Agents			9108	84					
Unexpended balances of votes brought forward for expenditure in 1885			31823	0					
Total Liabilities			—		4666421	60	437477	0	6
Excess of Assets over Liabilities			—		1289946	12	120932	9	0

Audit Office,
Colombo, 13th May, 1885.

W. H. RAVENSCROFT,
Auditor-General and Controller of Revenue.

V.—STATEMENT OF THE CASH TRANSACTIONS OF THE COLONY FOR THE YEAR 1884.

	Rs	cts.	£	s.	d.
To Balance on the 31st December, 1883	1,571,932	65¾			
Gross Revenue for the year 1884	12,402,365	78			
Drafts drawn during the year	9,267,916	72			
Deposits during the year	9,037,037	14¼			
Remittances received	3,785,097	45			
Advances repaid	7,316,126	8			
Sums placed to the credit of Her Majesty's Government	659	18			
Do. Government of India	216,069	70			
Do. Straits Government	93	48			
Do. Agents at Calcutta	215	88			
Do. Agents at Bombay	3,773	81			
Do. Agents at Madras	5,197	64			
Do. Crown Agents	3,947,704	19			
Receipts by the Crown Agents	7,785,313	48			
Loan to Municipal Council, Kandy	242,588	54			
New Currency	27,626	21			
Total—	55,609,717	94	5,213,411	1	2

	Rs	cts.	£	s.	d.
By Gross Expenditure of the year, viz.:—					
On Votes of the year	12,318,218	20			
Against Balances of previous year	34,612	78			
On Votes allowed by Surplus Fund Ordinance of 1879	3,159	85			
	12,355,990	83			
By Drafts paid during the year	9,242,494	72			
Payments from deposits	10,794,217	35			
Remittances made	3,795,254	71			
Advances to Heads of Departments	5,901,835	10			
Sums debited to Her Majesty's Government	659	18			
Do. Government of India	297,123	40			
Do. Straits Government	102	50			
Do. Agents at Calcutta	243	0			
Do. Agents at Madras	3,260	32			
Do. Agents at Bombay	3,733	63			
Do. Crown Agents	2,581,942	91			
Payments on temporary loans	6,411	17			
Disbursements by the Crown Agents	7,798,269	50			
Sums debited to Government of Mauritius	66	12			
Loan to Municipal Council, Kandy	250,000	0			
	53,031,604	44			
By Balance on the 31st December, 1884, viz.:—					
In the Colony (Rs 321,297 0)					
In England (Rs 2,256,816 50)	2,578,113	50			
Total—	55,609,717	94	5,213,411	1	2

Audit Office,
Colombo, 9th May, 1885.

W. H. RAVENSCROFT,
Auditor-General and Controller of Revenue.

VI.—STATEMENT showing the BALANCE of the Ceylon Government AVAILABLE FOR APPROPRIATION on 1st January, 1885.

NIL.

Audit Office,
Colombo, 13th May, 1885.

W. H. RAVENSCROFT,
Auditor-General.

VII.—*STATEMENT showing the REVENUE and EXPENDITURE of the Colony of Ceylon for the Nine Months ended 30th September*, 1885.

REVENUE.	Rs.	cts.
Arrears of revenue of former years recovered	209,625	2
Revenue of the Current Year.		
Customs	2,093,108	95
Port and Harbour Dues	60,209	7
Colombo Harbour Dues	300,819	81
Land Sales	267,990	78
Land Revenue	814,104	7
Rents, exclusive of Lands	245,315	93
Licenses	1,058,094	17
Stamps	796,070	45
Taxes, assessment on Houses and Gardens	23,672	45
Postage	9,601	68
Fines and Forfeitures	40,942	10
Government Vessels	32,486	13
Sale of Government Property	726,514	43
Reimbursements in aid of expenses incurred by Government	322,833	75
Interest	86,877	79
Miscellaneous Receipts	100,880	29
Special Receipts	7,245	79
Pearl Fishery	220	54
Receipts by the Crown Agents in London	—	
Railway Receipts	1,950,108	38
Telegraph Receipts	28,842	24
Rs.	9,175,563	82

EXPENDITURE.	Rs.	cts.
Establishments.		
Fixed Salaries	1,388,886	85
Provisional and Temporary Salaries	1,621,503	61
Allowances	52,139	96
Office Contingencies	82,629	87
Services, exclusive of Establishments.		
Pensions and Retired Allowances	369,621	90
Revenue Services	255,909	29
Administration of Justice	126,156	0
Ecclesiastical	2,119	58
Charitable Allowances	32,972	40
Education	149,161	0
Hospitals and Sanitation	326,138	8
Police Services	77,715	65
Prison Services	277,350	72
Rent	2,010	82
Transport	65,891	14
Conveyance of Mails and Postal-Telegraph Services	202,941	8
Works and Buildings	157,434	78
Roads, Streets, and Bridges	734,160	51
Miscellaneous	127,046	24
Interest	441,621	27
Colonial Store	11,579	58
Contribution towards Military Expenditure	472,635	23
Government Vessels	31,786	91
Refund of Duties	37,568	70
Lands taken for Government Purposes	482	7
Immigration	52,887	93
Railway Services	876,212	85
Rs.	7,976,564	2

Audit Office,
Colombo, 23rd October, 1885.

C. DICKMAN,
for Auditor-General and Controller of Revenue.

VIII.—*COMPARATIVE STATEMENT of the REVENUE and EXPENDITURE of the Colony of Ceylon for the Nine Months ended 30th September, 1884 and 1885.*

REVENUE.	Nine months ended 30th September, 1884.	Nine months ended 30th September, 1885.	INCREASE.	DECREASE.
	Rs. cts.	Rs. cts.	Rs. cts.	Rs. cts.
Arrears of Revenue of former years recovered ...	284,871 12	209,625 2	—	75,246 10
Revenue of the Current Year.				
Customs	2,046,209 84	2,093,108 95	46,899 11	—
Port and Harbour Dues ...	50,622 27	60,209 7	9,586 80	—
Colombo Harbour Dues ...	299,961 54	300,819 81	858 27	—
Land Sales ...	298,515 51	267,990 78	—	30,524 73
Land Revenue ...	648,333 7	814,104 7	165,771 0	—
Rents, exclusive of Lands ...	275,987 6	245,315 93	—	30,671 13
Licenses	1,047,960 73	1,058,094 17	10,133 44	—
Stamps	569,257 77	796,070 45	226,812 68	—
Taxes, Assessment on Houses and Gardens	22,661 63	23,672 45	1,010 82	—
Postal	180,390 76½	9,601 68	—	170,789 8½
Fines and Forfeitures ...	31,402 72	40,942 10	9,539 38	—
Government Vessels ...	39,250 50	32,486 13	—	6,764 37
Sale of Government Property...	742,785 87	726,514 43	—	16,271 44
Reimbursements in aid of expenses incurred by Government	284,260 32	322,833 75	38,573 43	—
Interest	108,875 5	86,877 79	—	21,997 26
Miscellaneous Receipts ...	137,317 61	100,880 29	—	36,437 32
Special Receipts ...	6,185 46	7,245 79	1,060 33	—
Pearl Fishery	16,284 66	220 54	—	16,064 12
Railway Receipts ...	1,836,442 12	1,950,108 38	113,666 26	—
Telegraph Receipts ...	13,498 76	28,842 24	15,343 48	—
Total—Rs.	8,941,074 37½	9,175,563 82	639,255 0	404,765 55½
			Deduct Decrease ...	404,765 55½
			Nett Increase ... Rs.	234,489 44½

EXPENDITURE.	Nine months ended 30th September, 1884.	Nine months ended 30th September, 1885.	INCREASE.	DECREASE.
Establishments.	Rs. cts.	Rs. cts.	Rs. cts.	Rs. cts.
Fixed Salaries ...	1,442,412 92	1,388,886 85	—	53,526 7
Provisional and Temporary Salaries	1,640,348 1	1,621,503 61	—	18,844 40
Allowances	47,060 95	52,139 96	5,079 1	—
Office Contingencies ...	72,053 87	82,629 87	10,576 0	—
Services, exclusive of Establishments.				
Pensions and Retired Allowances	353,049 45	369,621 90	16,572 45	—
Revenue Services ...	316,187 29	255,909 29	—	60,278 0
Administration of Justice ...	124,166 54	126,156 0	1,989 46	—
Ecclesiastical ...	1,453 91	2,119 58	665 67	—
Charitable Allowances ..	32,153 3	32,972 40	819 37	—
Education	175,447 67	149,161 0	—	26,286 67
Hospitals and Sanitation ...	267,344 66	326,138 8	58,793 42	—
Police Services ...	69,370 68	77,715 65	8,344 97	—
Prison Services ...	208,209 17	277,350 72	69,141 55	—
Rent	2,098 15	2,010 82	—	87 33
Transport	69,768 7	65,891 14	—	3,876 93
Conveyance of Mails and Postal-Telegraph Services	193,363 69	202,941 8	9,577 39	—
Works and Buildings ...	67,808 87	157,434 78	89,625 91	—
Roads, Streets, and Bridges...	818,212 57	734,160 51	—	84,052 6
Miscellaneous ...	83,696 55	127,046 24	43,349 69	—
Interest	321,847 57	441,621 27	119,773 70	—
Colonial Store ...	13,369 26	11,579 58	—	1,789 68
Contribution towards Military Expenditure ...	779,687 7	472,635 23	—	307,051 84
Government Vessels ...	26,215 62	31,786 91	5,571 29	—
Refund of Duties ...	34,420 33	37,568 70	3,148 37	—
Lands taken for Government Purposes ...	500 0	482 7	—	17 93
Immigration	49,018 62	52,887 93	3,869 31	—
Railway Services ...	853,062 79	876,212 85	23,150 6	—
Total—Rs.	8,062,327 31	7,976,564 2	470,047 62	555,810 91
		Deduct Increase ...	470,047 62	
		Nett Decrease ... Rs.	85,763 29	

Audit Office,
Colombo, 23rd October, 1885.

R. W. IEVERS,
for Auditor-General and Controller of Revenue.

IX.—*COMPARATIVE STATEMENT of the ESTIMATED and ACTUAL REVENUE and EXPENDITURE of the Colony of Ceylon for the Nine Months ended 30th September*, 1885.

REVENUE.	Estimated Revenue for 9 months.		Actual Revenue for 9 months.		Increase.		Decrease.	
	Rs.	cts.	Rs.	cts	Rs.	cts.	Rs.	cts.
Arrears of revenue of former years recovered ...	225,000	0	209,625	2	—		15,374	98
Revenue of the Current Year.								
Customs	2,250,000	0	2,093,108	95	—		156,891	5
Port and Harbour Dues ...	37,500	0	60,209	7	22,709	7	—	
Colombo Harbour Dues ...	300,000	0	300,819	81	819	81	—	
Land Sales	225,000	0	267,990	78	42,990	78	—	
Land Revenue ...	675,000	0	814,104	7	139,104	7	—	
Rents, exclusive of Lands ...	262,500	0	245,315	93	—		17,184	7
Licenses	1,125,000	0	1,058,094	17	—		66,905	83
Stamps	712,500	0	796,070	45	83,570	45	—	
Taxes, Assessment on Houses and Gardens ...	26,250	0	23,672	45	—		2,577	55
Postage	187,500	0	9,601	68	—		177,898	32
Fines and Forfeitures ...	33,750	0	40,942	10	7,192	10	—	
Government Vessels ...	45,000	0	32,486	13	—		12,513	87
Sale of Government Property...	750,000	0	726,514	43	—		23,485	57
Reimbursements in aid of Expenses incurred by Government ...	270,000	0	322,833	75	52,833	75	—	
Interest	63,750	0	86,877	79	23,127	79	—	
Miscellaneous Receipts ...	150,000	0	100,880	29	—		49,119	71
Special Receipts ...	6,000	0	7,245	79	1,245	79	—	
Pearl Fishery	330	0	220	54	—		109	46
Railway Receipts ...	2,100,000	0	1,950,108	38	—		149,891	62
Telegraph Receipts ...	45,000	0	28,842	24	—		16,157	76
Total—Rs.	9,490,080	0	9,175,563	82	373,593	61	688,109	79
					Deduct Increase ...		373,593	61
					Nett Decrease ...		314,516	18

EXPENDITURE.	Estimated Expenditure for 9 months.		Actual Expenditure for 9 months.		Increase.		Decrease.	
Establishments.	Rs.	cts.	Rs.	cts.	Rs.	cts.	Rs.	cts
Fixed Salaries ...	1,473,044	25	1,388,886	85	—		84,157	40
Provisional & Temporary Salaries	1,758,175	20	1,621,503	61	—		136,671	59
Allowances	58,903	11	52,139	96	—		6,763	15
Office Contingencies ...	85,109	2	82,629	87	—		2,479	15
Services, exclusive of Establishments								
Pensions & Retired Allowances	448,744	2	369,621	90	—		79,122	12
Revenue Services ...	353,058	0	255,909	29	—		97,148	71
Administration of Justice ...	134,184	0	126,156	0	—		8,028	0
Ecclesiastical	2,392	50	2,119	58	—		272	92
Charitable Allowances ...	34,293	0	32,972	40	—		1,320	60
Education	187,809	75	149,161	0	—		38,648	75
Hospitals and Sanitation ...	313,093	50	326,138	8	13,044	58	—	
Police Services ..	82,206	0	77,715	65	—		4,490	35
Prison Services ...	262,376	25	277,350	72	14,974	47	—	
Rent	2,205	0	2,010	82	—		194	18
Transport	74,988	75	65,891	14	—		9,097	61
Conveyance of Mails and Postal Services	215,125	50	202,941	8	—		12,184	42
Works and Buildings ..	184,887	75	157,434	78	—		27,452	97
Roads, Streets, and Bridges ...	1,180,033	31	734,160	51	—		445,872	80
Miscellaneous	137,252	25	127,046	24	—		10,206	1
Interest	490,752	75	441,621	27	—		49,131	48
Colonial Store ...	26,069	25	11,579	58	—		14,489	67
Contribution towards Military Expenditure ...	473,625	0	472,635	23	—		989	77
Government Vessels ...	41,250	0	31,786	91	—		9,463	9
Refund of Duties ...	37,500	0	37,568	70	68	70	—	
Lands taken for Government Purposes	375	0	482	7	107	7	—	
Immigration	68,437	50	52,887	93	—		15,549	57
Railway Services ...	1,323,048	75	876,212	85	—		446,835	90
Exchange	33,750	0	—		—		—	
Total—Rs.	9,482,689	41	7,976,564	2	28,194	82	1,534,320	21
					Deduct Increase ...		28,194	82
					Nett Decrease ...		1,506,125	39

Audit Office,
Colombo, 23rd October, 1885.

R. W. IEVERS,
for Auditor-General and Controller of Revenue.

X.—ESTIMATE of the REVENUE and EXENDITURE of the Colony of Ceylon for the Year 1886.

REVENUE.	Rs.	cts.
Arrears of Revenue of former years ...	300,000	0
Revenue of the Current Year.		
Customs	3,000,000	0
Port and Harbour Dues ..	480,000	0
Land Sales	400,000	0
Land Revenue ...	1,000,000	0
Rents, exclusive of Land ...	350,000	0
Licenses	1,450,000	0
Stamps	1,060,000	0
Taxes	35,000	0
Postage	15,000	0
Fines, Forfeitures, and Fees of Court	45,000	0
Government Vessels ...	50,000	0
Sale of Government Property ..	1,050,000	0
Reimbursements in aid of Expenses incurred by Government ...	450,000	0
Electric Telegraph	60,000	0
Miscellaneous Receipts ...	200,000	0
Interest	160,000	0
Special Receipts	12,500	0
Railway Receipts	3,000,000	0
Pearl Fishery	400	0
	13,117,900	0
Draft from Balances	236,847	91
Total ... Rs.	13,354,747	91

EXPENDITURE.	Rs.	cts.	Rs.	cts.	Rs.	cts.
Fixed Establishments.						
Civil	1,091,497	75				
Judicial	589,880	0				
Ecclesiastical	82,450	0				
Public Instruction	26,750	0				
Medical	85,050	0				
Police	23,500	0				
Prisons	3,650	0				
Convict Establishment	12,840	0				
Colonial Store	26,271	25				
			1,941,889	0		
Interest on Breakwater loan	—		500,562	50		
Do. on Waterworks loan	—		176,956	67		
Do. on Railway loan	—		850,000	0		
Do. on Widows' and Orphans' Pension Fund ...	—		8,000	0		
Contribution towards Military Expenditure ...	—		600,000	0		
					4,077,408	17
Charges voted by the Legislative Council in Appropriation Ordinance for 1886	—		—		8,931,170	2
					13,008,578	19
Works charged on Balances	—		—		236,847	91
Surplus Revenue	—		—		109,321	81
			Total ... Rs.		13,354,747	91

Council Chamber,
Colombo, 15th February, 1886.

CECIL C. SMITH,
Colonial Secretary